S.R.GOYAL & CO
CHARTERED ACCOUNTANTS

Independent Auditor's Report

To,
The Members of
Suratgarh Bikaner Toll Road (India) Private Limited

Opinion

We have audited the financial statements of **Suratgarh Bikaner Toll Road (India) Private Limited.** ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss for the for the period ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs (financial position) of the Company as at March 31, 2019 and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

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Emphasis of Matters

Attention is drawn to the following

a) *We have placed reliance on TEV study conducted by external agency and accordingly in the opinion of the management, there is no impairment of assets as on 31st March 2019 and there is no doubt on Company's ability to continue as a going concern.*

b) *The loans /credit facilities provided by lenders have been classified as Non-Performing Assets (NPA) by all lenders as on balance sheet date, however in Ind-AS Financial Statements the same is shown both under Short term & Long term borrowings on the basis of original Sanction letter.*

c) *We draw attention note no. 33 of financial statements in respect of statutory liability payable for one of contractors of the Company for F.Y. 2015-16 & 2016-17 which during the year has been credited to the contractor without remitting to income tax department on the basis of representation and confirmation received from the contractor.*

Our opinion is not modified in respect of these matters.

Responsibilities of Management for the Standalone Ind AS 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 and financial performance total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended. 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.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

S.R. GOYAL & CO. Chartered Accountants

That Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

S. R. GOYAL & CO. Chartered Accountants

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(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 impact its financial position.

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

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

FOR S. R. GOYAL & CO.
CHARTERED ACCOUNTANTS
FRN-001537C

S.R. GOYAL & CO. Chartered Accountants

A.K. Atolia
(Partner)
M.No.077201

Place: New Delhi
Date: 27/05/2019

S.R.GOYAL & CO
CHARTERED ACCOUNTANTS

Annexure A to the Independent Auditors' Report

To the members of Suratgarh Bikaner Toll Road Company Private Limited
Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report

(i) In respect of the Company's fixed assets :

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) As explained to us , all the fixed assets have been physically verified by the management according to a phased programme designed to cover all the items , which in our opinion is reasonable, having regards to size of the company and nature of its assets. No material discrepancies have been noticed on such physical verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.

(ii) As informed the Company does not have any inventory therefore paragraph 3 (ii) of the order is not applicable.

(iii) The Company has not granted loans, secured or unsecured, to companies, firms and limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3 (iii) [(a) to (c)] of the said Order are not applicable to the Company;

(iv) According to the information and explanation given to us, the company has complied with the provisions of section 185 and 186 of Act, with respect to the loans, investments, guarantees, and security made.

(v) The Company has not accepted any deposits from the public. Therefore, paragraph 3 (v) of the order is not applicable.

(vi) As per information and explanations given to us, the Central Government has not prescribed maintenance of cost record u/s 148 of the Companies Act 2013.

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(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess to the extent applicable and any other statutory dues have generally been deposited with the appropriate authorities with some delays. According to the information and explanations given to us undisputed amount payable in respect of aforesaid dues outstanding as at 31st of March, 2019 for a period of more than six months are are in respect of Tax Deducted at Source amounting Rs.8,47,163/-and Works Contracts Tax amounting to Rs.1,46,92,450/-.

Further in respect of statutory liability payable for one of contractors of the Company for F.Y. 2015-16 & 2016-17 which during the year has been credited to the contractor without remitting to income tax department on the basis of representation and confirmation received from the contractor.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of provident fund, goods and services tax (GST), sales tax, wealth tax, duty of customs, value added tax, cess and other material statutory dues, as applicable which have not been deposited on account of any dispute.

(viii) The company has defaulted in repayment of loans or borrowing to a financial institution and banks. The details are as follows:

(Rs. in Lacs)

Terms Loan From Banks & Financial Institution	**0 to 30 Days**	**31 to 60 Days**	**61 to 90 Days**	**Above 90 Days**
Interest Amount	477.74	431.51	477.74	14068.51
Principal Amount	399.00	-	-	979.00

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. During the year money raised from term loans were applied for the purpose for which they were raised.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company or on the Company by

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its officers or employees has been, noticed or reported during the year, nor we have been informed of any such case by the Management;

(xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company is a Private Limited Company & therefore section 197 of the Companies Act, 2013 is not applicable. Accordingly, paragraph 3(xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards;

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable;

(xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934;

FOR S. R. GOYAL & CO.
CHARTERED ACCOUNTANTS
FRN-001537C

S. R. GOYAL & CO. Chartered Accountants

A.K. Atolia
(Partner)
M.No.077201

Place: New Delhi
Date: 27/05/2019

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Annexure B to the Independent Auditor's Report to the members of Suratgarh Bikaner Toll Road Company Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of **Suratgarh Bikaner Toll Road Company Private Limited**('the Company'), as of 31st March, 2019 in conjunction with our audit of the standalone Ind AS 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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

S.R. GOYAL & CO. Chartered Accountants

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

S.R. GOYAL & CO. Chartered Accountants

Opinion

In our opinion, the Company has limited documentation for identification of risk description with control categories of its processes ,we have considered other related documentation available in this regard, for obtaining sufficient understanding for its process and controls and based on the above, 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, 2019, 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".

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India specified under Section 143(10) of the Act, the financial statements of the Company, which comprise the Balance Sheet as at March 31, 2019, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated March 31, 2019 expressed an unqualified opinion thereon.

FOR S. R. GOYAL & CO.
CHARTERED ACCOUNTANTS
FRN-001537C

S. R. GOYAL & CO. * Chartered Accountants *

A.K. Atolia
(Partner)
M.No.077201

Place: New Delhi
Date: 27/05/2019

SURATGARH BIKANER TOLL ROAD COMPANY PRIVATE LIMITED

Balance Sheet as at 31st March,2019

(Rs in Lakhs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
(1) Non current assets			
(b) Intangible asset under development	4	-	72,514.39
(c) Other intangible assets	5	80,023.08	-
(d) Financial assets			
(i) Others	6	1.00	-
(e) Non current tax assets (net)	7	31.63	24.08
(f) Deferred tax assets (net)	8	95.06	-
(2) Current assets			
(a) Financial assets			
(i) Trade receivables	9	-	83.73
(ii) Cash and cash equivalents	10	51.17	8.40
(iii) Others	11	2.09	-
(c) Other current assets	12	356.65	10.88
TOTAL ASSETS		**80,560.68**	**72,641.48**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13	17,007.00	17,007.00
(b) Other equity	14	(428.97)	-
LIABILITIES			
(1) Non current liabilites			
(a) Financial liabilites			
(i) Borrowings	15	41,812.74	42,443.61
(2) Current liabilites			
(a) Financial liabilites			
(i) Borrowings	16	5,333.32	-
(ii) Trade payables			
- Total Outstanding dues of micro enterprises and small enterprises	17	-	-
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		657.11	263.13
(iii) Other financial liabilities	18	60.39	2,366.74
(b) Other current liabilites	19	663.60	730.51
(c) Provisions	20	15,455.49	9,830.49
TOTAL EQUITY & LIABILITIES		**80,560.68**	**72,641.48**

Significant accounting policies and other accompanying notes (1 to 38) form an integral part of the financial statements.

As per our report on even date

For S.R.Goyal & Co.
Chartered Accountants
Firm Registration No.001537C

(A.K. Atolia)
Partner
Membership No. 077201

Place : New Delhi
Date : 27th May, 2019

Mukesh Baheti
Chief Financial Officer

Ritu Agarwal
Company Secretary

For and on behalf of the Board

Anjanee Kumar Lakhotia
Director
DIN-00357695

Sunita Palita
Director
DIN-03612793

SURATGARH BIKANER TOLL ROAD COMPANY PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March,2019

(Rs in Lakhs)

Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
INCOME			
Revenue from operations	21	712.75	-
Other income	22	30.48	-
(A) TOTAL INCOME		**743.23**	-
EXPENSES			
Cost of Materials Consumed	23	-	-
Employee benefits expense	24	73.64	-
Finance costs	25	709.99	-
Depreciation and amortisation expense	26	345.59	-
Other expenses	27	138.04	-
(B) TOTAL EXPENSES		**1,267.26**	-
(C) Profit/(Loss) before tax (A-B)		**(524.03)**	-
(D)Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		(95.06)	-
(E)Total Profit/(Loss) for the period (C-D)		**(428.97)**	-
OTHER COMPREHENSIVE INCOME			-
i. Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit obligations			
ii. Income tax relating to above			
Total Other Comprehensive Income for the year (F)		-	-
Total Comprehensive Income for the period(E+F)		**(428.97)**	-
Earning per equity share(Face Value Rs. 10/- each) (in Rs.) (Basic & Diluted)		(2.52)	-

Significant Accounting Policies and other accompanying notes (1- 38) are an integral part of the financial statements

As per our report on even date

For S.R.Goyal & Co.
Chartered Accountants
Firm Registration No.001537C

(A.K. Atolia)
Partner
Membership No. 077201

Place : New Delhi
Date : 27th May, 2019

Mukesh Baheti
Chief Financial Officer

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For and on behalf of the Board

Anjanee Kumar Lakhotia
Director
DIN-00357695

Sunita Palita
Director
DIN-03612793

SURATGARH BIKANER TOLL ROAD COMPANY PRIVATE LIMITED

Statement of changes in equity for the year ended 31st March 2019

A Equity Share Capital

(Rs in Lakhs)

Particulars	Share capital
Balance as on March 31, 2017	**17,007**
Add: Shares issued during the year 2017-18	-
Balance as on March 31, 2018	**17,007**
Add: Shares issued during the year 2018-19	-
Balance as on March 31, 2019	**17,007**

B Other equity

(Rs in Lakhs)

Particulars	Reserves & Surplus	Total
	Retained Earnings	
Balance as on April 1, 2018	-	-
Profit/(Loss) for the year	(428.97)	(428.97)
Balance as on March 31, 2019	**(428.97)**	**(428.97)**

Refer Note 14 for nature and purpose of reserves

Significant accounting policies and other accompanying notes (1 to 38) form an integral part of the financial statements.

As per our report on even date

For S.R.Goyal & Co.
Chartered Accountants
Firm Registration No.001537C

(A.K. Atolia)
Partner
Membership No. 077201

Place : New Delhi
Date : 27th May, 2019

Mukesh Baheti
Chief Financial Officer

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Company Secretary

For and on behalf of the Board

Anjanee Kumar Lakhotia
Director
DIN-00357695

Sunita Palita
Director
DIN-03612793

SURATGARH BIKANER TOLL ROAD COMPANY PRIVATE LIMITED

Cash Flow Statement for the year ended 31st March, 2019

(Rs in Lakhs)

	For the year ended 31st March,2019		For the year ended 31st March,2018	
A. Cash flow from operating activities:				
Net profit before tax & extraordinary items		(524.03)		-
Adjusted for :				
Depreciation/amortisation expenses	345.59			
Finance cost	709.99	1,055.58		
Operating profit before working capital changes:		531.55		-
Adjusted for:				
Increase / (Decrease) in other liabilities and provisions	3,243.95		8,717.59	
Increase / (Decrease) in trade payables	393.98		79.37	
(Increase) / Decrease in other current asset	(348.86)		(2.02)	
(Increase) / Decrease in trade receivables	83.73	3,372.80	-	8,794.94
Less : Direct taxes paid		(7.55)		-
Net cash generated from / (used in) operating activities		3,896.80		8,794.94
B. Cash flow from investing activities:				
Intangible assets/intangible assets under development	(7,854.28)		(6,645.79)	
Net cash used in investing activities		(7,854.28)		(6,645.79)
C. Cash flow from financing activities:				
Proceeds from banks	4,702.45		(2,150.81)	
Interest on term loan	(702.20)		-	
Net cash generated from / (used in) financing activities		4,000.25		(2,150.81)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		42.77		(1.66)
Opening balance of cash & cash equivalents		8.40		10.06
Closing balance of cash & cash equivalents (refer note 10)		51.17		8.40

Significant accounting policies and other accompanying notes (1 to 38) form an integral part of the financial statements.

This is the Cash Flow Statement referred to in our audit report of even date

For S.R.Goyal & Co.
Chartered Accountants
Firm Registration No.001537C

(A.K. Atolia)
Partner
Membership No. 077201

Place : New Delhi
Date : 27th May, 2019

For and on behalf of the Board

Mukesh Baheti
Chief Financial Officer

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Director
DIN-00357695

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Company Secretary

Sunita Palta
Director
DIN-03612793

SURATGARH BIKANER TOLL ROAD COMPANY PRIVATE LIMITED

Notes on Financial Statements as at and for the year ended 31st March,2019

1. Corporate Information

Suratgarh Bikaner Toll Road Company Private Limited (or 'the Company') is a company incorporated and domiciled in India headquartered in Delhi with a registered office at Divine Bliss, 1st Floor, 2/3, Judges Court Road Kolkata, West Bengal 700027.

2. Statement of Compliance and Recent Pronouncements

The financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rules 3 of the Companies (Indian Accounting Standards) rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

2.1 Application of new and revised standards:

a) Ind AS 115, Revenue from Contracts with Customers

Ind AS 115 has been introduced with effect from April 01, 2018 under modified retrospective approach which does not have any impact on the financial statements.

b) Ind AS 12 "Income Taxes" have been revised with effect from the said date. Revision in other standards are either not appicable or do not have any impact on the financial statements.

2.2 Recent accounting pronouncements

On March 30, 2019 , Ministry of Corporate Affairs ("MCA") has issued Companies (Indian Accounting Standards) Amendment Rules, 2019 notifying Ind AS 116, Leases and Appendix C, 'Uncertainity over Income Tax Treatments' to Ind AS 12, 'Income Taxes', which are applicable with effect from financial period ending on or after April 1, 2019.

a) Ind AS 116, Leases

Ind AS 116 will affect the accounting of leases primarily by removing the current distinction between operating and finance leases. This requires recognition of an asset (the right-of-use the leased item) and a finacial liability to pay rentals over the period of all lease contracts. An optional exemption exists for short-term and low-value leases.

The statement of profit and loss will also be affected because the expense in the earlier years of a lease is expected to be higher.

Presently, the Company is in the process of evaluating the impact that application of Ind AS 116 is expected to have on its financial statements.

b) Appendix C, ' Uncertainty over Income Tax Treatments', to Ind AS 12, 'Income Taxes'

The appendix explains the recognition and measurement of deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

Presently, the Company is in the process of evaluating the impact that application of this appendix is expected to have on its financial statements.

3. Significant Accounting Policies

Description of Business:

Road on DBFOT (Design, Build, Finance, Operate and Transfer) basis:

A 'Concession Agreement' entered into between Suratgarh Bikaner Toll Road Company Private Limited (termed as "concessionaire") and Public Works Department, Government of Rajasthan on 09.05.2012, conferred the rights of concession of 172.384 km road, to implement the project and recover the project cost, through levy of toll revenue over the toll period commencing from the date of start upto a period of 16 years (including construction period of 2 years). The concessionaire is required to pay premium of ` 2.50 crore in the first year of COD and an increase of 5% thereafter every year. The concessionaire is required to transfer the project asset to PWD, Government of Rajasthan, in accordance with the said concession agreement at the end of concession period.

3. 1.Basis of Prepration

The Financial Statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments that are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in IND AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest Lakhs, unless otherwise indicated.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

(a) Level 1:Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2:Inputs other than quoted prices included within level 1 that are observable, either directly or indirectly, for the asset or liability.

(c) Level 3:Inputs for the asset or liability which is not based on observable market data.

3.2 Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years .

3.3 Property Plant & Equipment:

On transition to IND AS, the Company has elected to continue with the carrying value of all its property plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property,plant and equipment.

Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

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3.4 Intangible Asset

The company initially recognises the intangible asset at Cost and subsequently meaure the intangible asset at its cost less accumulated amortisation and any impairment losses by following the Cost model as per Ind AS 38 "Intangible Assets" . During the construction phase of the arrangement the company asset is classified as a right to receive a licence to charge users of the infrastructure. The company estimates the fair value of its consideration received or receivable as equal to the forecast construction costs .

In accordance with Ind AS 38, Intangible assets with finite life are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Other intangible assets are amortised on straight line basis over the period in which it is expected to be available for use by the company.

3.5 Financial Instruments

The company recognizes the financial assets and financial liabilities when the recognition criteria of financial instrument as specified under ***Ind AS 109*** is met.

Financials Asset

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset except in the case of financial assets not recorded at fair value through profit or loss. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

Financial Asset at amortised cost

A 'Financial Asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

Financial Asset at Fair value through Other Comprehensive Income("FVTOCI")

A 'Financial Asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.Financial Asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income ("OCI")

Financial Asset at fair Value through Profit & Loss ("FVTPL")

FVTPL is a residual category for Financial Assets. Any financial aset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the group may elect to designate a Financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Derognisition of Financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised when the rights to receive cash flows from the asset have expired.

Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increases in credit risk. *Note-21* details how the group determines whether there has been a significant increase in credit Risk.

For trade receivables only, the company applies the simplified approach permitted by IND AS 109 Financial instrument, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial Liablities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial Liablities at Amortised Cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

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3.6 Provisions, Contingent liabilities and Contingent assets

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to a provision is presented in the statement of profit and loss

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each balance sheet date

Contingent liabilities and assets

Contingent liability and assets are not recognised but are disclosed in the notes to the financial statements in accordance with **IND AS 37.**

3.7 Service Concession Arangements (SCA)

The Company Operates and maintains infrastructure (operation services) used to provide a public service for a specified period of time .

These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Under Appendix A to Ind AS 11 – Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the company receives a right (i.e a franchisee) to charge users of the public services.

Income from the concession arrangements earned under the intangible asset model consists of the:

(i) fair value of the contract revenue, which is deemed to be fair value of the consideration transferred to acquire the asset; and

(ii) payments actually received from the users.

The intangible asset is amortised over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the company, starting from the date when the right to operate starts to be used. Based on these principles, intangible asset is amortised on the basis of revenue earned.

Any asset carried under concession agreements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal.

Determination of fair values of Intangible asset.

The fair value of Intangible assets consists of the amount spent on contruction of asset .

3.8 Revenue recognition

Revenue is recognised when all the significant risk and rewards are transferred as per terms and no uncertainity exists regarding the amount of the consideration that will be derived from the contract. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Revenue related to SERVICE Concession Arangements :

Revenue related to construction under a service concession arrangement is recognised based on the stage of completion of the work performed

Service concession aggrangement: Exemption

On Transition to Ind As, the company has adopted optional exemption under Ind As -101 para D22 which provides to continue with the previous carrying amounts of those financial and intangible assets (however previously classified) as their carrying amounts as at the date of transition.

3.9 Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument.

3.10 Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or
substantively enacted, at the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.11 Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity."

3.12 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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3.13 Segment reporting

The company's operation pre dominantly consist of infrastructure devolepment ,construction & operation , hence it operates in one business segment.

3.14 Cash Flow Statement

Cash flows are reported using the indirect method , whereby profit before tax is adjusted of the effects of transactions of a non-cash nature, any deferral or accruals of past or future operating cash reciept or payments and item of income or expenses assosiated with investing or financing cash flows. The cash flows from operating , investing and financing activities of the company are segregated.Cash and cash equivalent in the Balance sheet comprise cash and cash at bank.

3.15 Cash & Cash Equivalent

Cash & cash equivalents comprise of cash at bank and cash-in-hand. The Company consider all highly liquid investments which are subject to an insignificant risk of change in value with an original maturity of three months or less from date of purchase to be cash equivalent.

3.16 Employee benefits

Short Term:

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contribution.

Long Term:

Provident Fund: The contribution to provident fund is in the nature of defined contribution plan. The Company makes contribution to statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952.The contribution paid or payable is recognized as an expense in the period in which services are rendered.

Gratuity & Leave Encashment(Un-Funded): The cost is determined using the projected unit credit method with actuarial valuation being carried at cash at each Balance Sheet date by an independent actuary. The retirement benefits obligation recognized in the Balance Sheet represent the present value of defined benefit obligation as adjusted for recognized past service cost

Actuarial gains and losses are recognized in full in the other comprehensive income for the period in which they occur.

Critical Accounting Judgments and Key Sources of Estimation Uncertainty:

The preparations of the financial statements in conformity with recognize measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known/materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgement and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance asset date, that have significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

(a) Impairment Allowances for Trade Receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

(b) Provisions and Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy. Based on management estimates the same does not qualify for recognition in the financial statements.

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4 **Intangible Assets under Development** (Rs in Lakhs)

As at 01.04.2018	**72,514.39**
Add: Additions during the year(Refer Note 4.1)	7,854.28
Less: Capitalised during the year(Refer Note 5)	(80,368.67)
As at 31.03.2019	-

As at 01.04.2017	**65,868.60**
Add: Additions during the year (Refer Note 4.1)	6,645.79
Less: Capitalised during the year	-
As at 31.03.2018	**72,514.39**

4.1 **The details of expenditure incurred during construction period are as follows:**

(Rs in Lakhs)

Particulars	2018-19	2017-18
Payment For Development Charges	2,169.97	-
Design & Survey Charges	-	59.24
Bank Changes	0.80	0.17
Salary & Wages	201.30	14.86
Interest on Term Loan	5,122.97	6,444.74
Travelling Expenses	0.62	0.30
Independent Engineers Fees	133.85	72.00
Insurance Charges	17.30	11.27
Legal & Professional Fees	20.57	7.53
Payment to Auditor		
Audit fee	-	1.50
Internal Audit Fee	-	0.11
Miscellanous Expenses	148.48	-
Rates & Taxes	2.05	-
Amortisation of transaction cost	36.37	34.07
Total	**7,854.28**	**6,645.79**

4.2 The company has started toll collection w.e.f 17th Feb 2019. Expenses have been capitalised proportionately for the period 1st April 2018 to 16th Feb 2019 and same have been charged to Profit & loss A/c for the period 17th feb 2019 to 31st March 2019.

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SURATGARH BIKANER TOLL ROAD COMPANY PRIVATE LIMITED
Notes on Financial Statements for the year ended 31st March, 2019

(Rs in Lakhs)

	Particulars	Refer Note No	As at 31st March, 2019	As at 31st March, 2018
5	**Other Intangible Assets**			
	Carriage Ways*			
	Opening Cost/Deemed Cost			
	Additions	4	80,368.67	-
	Deletion		-	-
	Adustment		-	-
	Closing Cost		80,368.67	-
	Opening Accumulated amortization			
	Amortization during the year		345.59	-
	Deletion		-	-
	Closing Accumulated amortization		345.59	-
	Closing Net Carrying Amount		80,023.08	-

*Being the right to operate and maintain the highways on Build, Operate and Transfer

** The amortisation of Intangible assests (Carriage ways) created has been done according to MCA circular G.S.R.(E) dated 17th April 2012,

Amortisation amount = Cost of intangible asset x $\frac{\text{Actual revenue for the year}}{\text{Projected revenue for Intangible assets}}$

Company's projected revenue as per TEV report for the total concession period upto the year 2029

Then, Amortisation amount = 80,368.67 x $\frac{712.75}{165940}$

Rs 345.59 lacs

6	**Non Current Financial Assets-Others**		
	At amortised cost	-	-
	Security Deposit	1.00	-
		1.00	-
7	**NON CURRENT TAX ASSETS**		
	Advance Income Tax(including tax deducted at source)	31.63	24.08
		31.63	24.08
8	**Deferred Tax Assets(Net)**		
	Deferred Tax Assets	95.06	-
	Less: Deferred Tax Liabilities		-
	Deferred Tax Assets/(Liabilities) (Net)	95.06	-

Gross deferred tax liability and assets for the year ended 31st March 2019 are as follows:

(Rs in Lakhs)

Particulars		Opening Balance 01.04.2018	Recognised in Profit and Loss	Closing Balance 31.03.2019
Deferred Tax Assets				
Difference in carrying value and tax base of Financial Liability		-	95.06	95.06
Total Deferred Tax Assets		-	**95.06**	**95.06**

9	**Current Financial Assets-Trade Receivables**		
	Unsecured considered good	-	83.73
	Total	-	83.73

9.1 Trade Receivables are subject to confirmation from certain parties.

9.2 The ageing of trade receivables are as follows:

As at March 31,2019 (Rs in Lakhs)

Particulars	Within credit period	Past due 0-180 days	Past due More than 180 days	Total
Unsecured considered good	-	-	-	-
Total	-	-	-	-

As at March 31,2018 (Rs in Lakhs)

Particulars	Within credit period	Past due 0-180 days	Past due More than 180 days	Total
Unsecured considered good	-	-	83.73	83.73
Total	-	-	83.73	83.73

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(Rs in Lakhs)

	Particulars	Refer Note No	As at 31st March, 2019	As at 31st March, 2018
10	**CASH AND CASH EQUIVALENTS**			
	Balances with banks in current account		10.96	8.40
	Cash in hand		40.21	-
			51.17	8.40
11	**Current Financial Assets-Others**			
	At amortised cost		-	-
	Others		2.09	-
			2.09	-
12	**OTHER CURRENT ASSETS**			
	(Unsecured, considered good)			
	Advance to related party		336.79	-
	Advances to Suppliers		4.54	-
	Prepaid expenses		8.12	9.62
	Balances with Government Authorities		0.68	1.26
	Others		6.52	-
			356.65	10.88
13	**SHARE CAPITAL**			
	Authorised			
	(31st March, 2019 17,00,70,000 equity shares of ` 10/- each.) (31st March, 2018 17,00,70,000 equity shares of ` 10/- each.)		17,007.00	17,007.00
	Issued, subscribed and paid up			
	(31st March, 2019 17,00,70,000 equity shares of ` 10/- each.) (31st March, 2018 17,00,70,000 equity shares of ` 10/- each.)		17,007.00	17,007.00
			17,007.00	17,007.00

13.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number	Value (` in Lakhs)	Number	Value (` in Lakhs)
Equity Shares :				
No. of Shares outstanding at the beginning of the year	170,070,000	17,007.00	170,070,000	17,007.00
Add: Issued during the period	-	-	-	-
No. of Shares outstanding at the end of the year	170,070,000	17,007	170,070,000	17,007

13.2 The Company has only one class of equity shares having a par value of ` 10 per share. Each shareholder is eligible for one vote per share.In the event of Liquidation, the equity shareholders are eligible to receive the remaining assets of the company.

13.3 The details of shareholders holding more than 5% shares of the aggregate shares in the company:

Name of the shareholders	As at 31st March 2019		As at 31st March 2018	
	No. of shares	%	No. of shares	%
MBL Infrastructures Limited (Holding Company)	17,00,52,250	99.99%	10,02,70,000	58.96%
MBL Projects Limited	-	-	6,97,82,250	41.03%

14	**Other Equity**		
	Retained Earnings	(428.97)	-
		(428.97)	-

14.1 Refer Statement of Changes in Equity for movement in balances of reserves

14.2 Nature and purpose of reserves

Retained Earnings
Retained Earnings generally represents the undistributed profits/accumulated earnings of the Company

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SURATGARH BIKANER TOLL ROAD COMPANY PRIVATE LIMITED
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(Rs in Lakhs)

Particulars	Refer Note No	As at 31st March, 2019	As at 31st March, 2018
15 NON CURRENT FINANCIAL LIABILITIES - BORROWINGS			
Secured at amortised cost			
Term Loan from banks		41,812.74	42,443.61
		41,812.74	42,443.61

15.1 Term loan availed by the company from banks **of Rs. 45000 Lakhs** is secured by following:
(i) First charge on all the movable & immovable assets of the company.
(ii) First charge on escrow account.
(iii) First charge on intangible assets.
(iv) First charge on all toll revenues and receivables.
(v) First charge on the funds in debt service reserve account.
(vi) Pledge of 51% equity shares of the company held by the holding company.

15.2 Maturity profile of long term borrowings are as set out below : **(Rs in Lakhs)**

Particulars	Rate of Interest (%)	within 1 year	1 to 2 years	2 to 3 years	More then 3 years
From Banks	12.50	3,050.00	2,724.00	3,226.00	36,000.00

Interest rate is linked to base rate of the lender bank, which may vary.
Due to defaults in repayments of Principal and interest due to banks, the Company's account became NPA. Consequently consortium of banks appointed PNB Investment Services Ltd (PNBISL) to carry out Techno Economic Viability Study. PNBISL presented TEV study report before consortium of banks and Restructuring/ Resolution Plan is under consideration. Above default will get regularised on approval and Implementation of Resolution Plan in terms of RBI guidelines.

16 CURRENT FINANCIAL LIABILITIES- BORROWINGS			
Secured at amortised cost			
Current Maturities of Long Term Loan		3,019.51	-
Current Maturities of Short Term Loan		2,313.81	-
		5,333.32	-

16.1 Priority term loan-I availed by the company from bank **of Rs. 2500 Lakhs** is secured by following:
(i) First charge on all the movable & immovable assets of the company.
(ii) First charge on escrow account.
(iii) First charge on intangible assets.
(iv) First charge on all toll revenues and receivables.
(v) First charge on the funds in debt service reserve account.
(vi) Pledge of 51% equity shares of the company held by the holding company.
(vii) Priority Charge on entire cash flow of the company and pari passu charge on all assets for fresh term loan of Rs. 25 Crore.
(viii) Personal Guarantee of a Director.
(ix) Interest rate @ 13.45%

17 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES			
At amortised cost			
A) Total outstanding dues of micro enterprises and small enterprises		-	-
B)Total outstanding dues of Creditors other than micro enterprises and small enterprises (refer note no.33)		657.11	263.13
		657.11	263.13

17.1 Disclosure of Trade Payables is based on infromation available with Company regarding the status of suppliers if any, as defined under the "Micro Small and Medium Enterprise Development Act, 2006". There are no delay in payment made to such suppliers. There is no overdue amount outstanding as at balance sheet date.

17.2 Trade payables are subject to confirmation from certain parties.

18 OTHER FINANCIAL LIABILITIES- CURRENT			
At amortised cost			
Current maturities of long term debts		-	2,366.74
Payable to employees		60.39	-
		60.39	2,366.74

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Notes on Financial Statements for the year ended 31st March, 2019

(Rs in Lakhs)

	Particulars	Refer Note No	As at 31st March, 2019	As at 31st March, 2018
19	**OTHER CURRENT LIABILITIES**			
	Statutory dues (refer note no.33)		190.53	486.46
	Advance from MoRTH		343.66	-
	Others		129.41	244.05
			663.60	730.51
20	**OTHER CURRENT LIABILITIES-PROVISIONS**			
	Provision for Interest to Banks		15,455.49	9,830.49
			15,455.49	9,830.49

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Notes on Financial Statements for the year ended 31st March, 2019

(Rs in Lakhs)

Particulars	Ref Note No	For the year ended 31st March,2019	For the year ended 31st March,2018
21 Revenue from Operations			
User fee (toll)		712.75	
		712.75	-
22 Other Income			
Others		30.48	-
		30.48	-
23 Cost of Material Consumed			
Inventory at the beginning			-
Add: Purchases		579.29	-
		579.29	-
Less: Closing Stock			
Less: Issue to EPC Contractor		579.29	-
Cost of Material Consumed		-	-
24 Employee Benefit Expenses			
Salaries, Wages and Bonus		64.96	-
Contribution to Provident and other Funds		3.99	-
Staff Welfare		4.69	-
		73.64	-
25 Finance Cost			
Interest on term loan		702.20	
Amortisation of transaction cost		7.79	
		709.99	-
26 Depreciation and Amortisation Expense			
Amortisation of Intangible Asset		345.59	
		345.59	-
27 Other Expenses			
Direct Labour, Sub-Contract etc		43.00	-
Stores & Spare Part Consumed		2.74	-
Power, Fuel and Lubricant		4.42	-
Electricity/Water Charges		8.62	-
Repair & Maintenance Expenses		2.02	-
Rent		2.69	-
Payments to auditor			
Statutory audit		1.50	-
Tax audit		0.30	-
Rate & Taxes		0.53	-
Insurance Charge		2.07	-
Premium Paid- Additional Concession Fee		41.83	-
Advertisement Expenses		4.01	-
Hire Charges-Vehicle and Equipments		4.86	-
Office and Site Devlopment Expenses		5.82	-
Bank Commission and Charges		0.70	-
Miscellaneous expenses		12.93	-
		138.04	-

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Notes on Financial Statements for the year ended 31st March, 2019

(Rs in Lakhs)

28 Tax Expenses

(a) The major components of income tax expense for the year are as under:

(Rs in Lakhs)

	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
(i)	**Income tax recognised in the Statement of Profit and Loss**		
	Current Tax	-	-
	Deferred Tax	(95.06)	
	Total Income tax expenses recognised in statement of profit and loss	**(95.06)**	-

(b) A reconciliation of income tax expense applicable to accounting profits / (loss) before tax at the statutory income rate to recognised income tax expense for the year indicated are as below:

(Rs in Lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Accounting Profit/(Loss) before tax	(524.03)	-
Statutory income tax rate	27.82%	27.55%
Tax at statutory income tax rate	(145.79)	-
Temporary differences	50.73	-
		-
Total	**(95.06)**	-

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29 Disclosure of related parties / related party transactions:

In accordance with the requirements of IND AS 24 on related parties disclosures , name of the related party, related party relationship, transaction and outstanding balances including commitments where control exists and with whom transaction have taken place during the reporting period are:

A. Related party disclosures

Relationship	Name of the related party
Holding Company	MBL Infrastructures Limited
Key Management Personnel	a) Anjanee Kumar Lakhotia (Director) b) Sunita Palita (Director) c) Mukesh Baheti (Chief Financial Officer) d) Ritu Agarwal (Company Secretary)

B. Transactions carried out with related parties referred in "A" above, in ordinary course of business

(Rs in Lakhs)

Nature of Transactions	Holding Company		Key Management Personnel	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Transaction during the year				
MBL Infrastructures Limited	701.45	-	-	-

C. Balance outstanding as on 31st March, 2019

Nature of Transactions	Related Parties		Key Management Personnel	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Trade payable				
MBL Infrastructures Limited	413.12	172.35	-	-
MBL Projects Limited	11.20	11.20	-	-
MBL-MP Toll Road Company Ltd.,	11.21	-	-	-
Mobilisation Advance				
MBL Infrastructures Limited (Received from MoRTH against change of scope work)	336.79	-	-	-

30 The Company could not mitigate its obligations under the Term Loan agreements as a result default occurred in the repayment of dues (interest and principal) during the period as detailed below:

(Rs in Lakhs)

Particulars	*Period of Default			
Term loan from Banks	0 to 30 days	31 to 60 days	61 to 90 days	above 90 days
Principal Amount	399.00	-	-	979.00
Interest Amount	477.74	431.51	477.74	14,068.51

Due to defaults in repayments of Principal and interest due to banks, the Company's account became NPA. Consequently consortium of banks appointed PNB Investment Services Ltd (PNBISL) to carry out Techno Economic Viability Study. PNBISL presented TEV study report before consortium of banks and Restructuring/ Resolution Plan is under consideration. Above default will get regularised on approval and Implementation of Resolution Plan in terms of RBI guidelines.

31 In the opinion of the Board of Directors, all the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and all the known liabilities have been provided for.

32 The Company operates in only one segment, namely "Toll Roads" hence there are no reportable segments under Ind AS-108 'Segment Reporting'. Hence, separate business segment information is not applicable.
The board of directors of the company has been identified as The Chief Operating Decision Maker (CODM). The Chief Operating Decision Maker also monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.

33 The Company has received representation from one of its contractors that it has not received credit of TDS and was required to pay taxes directly as the Company could not deposit TDS in time due to cash flow mismatch. Further contractor has confirmed that it has appropriately included payments received from the Company in its financials and filed return of income for FY 15-16 & FY16-17 and also discharged the applicable tax liability. Accordingly in the view of management, pursuant to provisions of section 201 read with section 191 of the income tax Act,1961 the Company as payer is absolved and will not be treated as assesse who is in default. The contractor has also informed that it has undergone Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code (IBC),2016 and statutory liabilities are payable as per the approved Resolution Plan. The contractor has requested to release the withheld amount towards income tax. Accordingly Current Tax liabilities to the tune of Rs 331.07 Lakhs is reclassified as Current Liabilities-Trade payables.

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Notes to the financial statements for the year ended 31st March, 2019

34 Fair Value Measurement Hierarchy

a) **Financial instruments by category**

The carrying value and the fair value of financial instruments by categories were as follows:

(Rs in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Asset		
Measured at amortised cost		
Trade receivables	-	83.73
Other Financial Assets	-	-
Cash and Bank Balances	51.17	8.40
Total Financial Assets	**51.17**	**92.13**
Financial Liabilities		
Measured at amortised cost		
Borrowings	47,146.06	42,443.61
Trade payables	657.11	263.13
Other Liabilities	60.39	2,366.74
Total Financial Liabilities	**47,863.56**	**45,073.48**

b) Fair Value Technique

i) The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

ii) The fair value of cash and cash equivalents, trade receivables, current trade payables, current financial liabilities and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The Board considers that the carrying amounts of financial assets and financial liabilities recognised at cost/amortised cost in the financial statements approximates their fair values.

iii) Long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value of such long-term debt approximates fair value subject to adjustments made for transaction cost.

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35 FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company principal financial asset includes loan , trade and other receivables, and cash and short-term deposits that arise directly from its operations.

The Company's activities are exposed to **market risk, credit risk and liquidity risk**.

I. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.
The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

(i) The exposure of group borrowings to interest rate changes at the end of reporting period are as follows: **(Rs in Lakhs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Variable rate borrowings	47,146	44,810
Fixed rate borrowings	-	-
Total borrowings	**47,146**	**44,810**

(ii) Sensitivity
Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Borrowings	+50	+50	-236	-224
	- 50	- 50	236	224

(b) Foreign currency risk

The Company does not operates internationally and as the Company has not obtained any foreign currency loans and also doesn't have any foreign currency trade payables and foreign receivables outstanding therefore, the company is not exposed to any foreign exchange risk.

(c) Price Risk

The company does not have any investments in equity and commodity at the current year end and previous year. Therefore the company is not exposed to price risk.

II. Credit risk

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an on going basis through each reporting period. To assess whether there is significant increase in credit risk, it considers reasonable and supportive forward looking information such as:

(i) Actual or expected significant adverse changes in business.
(ii) Actual or expected significant changes in the operating results of the counterparty.
(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation
(iv) Significant increase in credit risk an other financial instruments of the same counterparty
(v) significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

The company's only source of revenue is from toll collection which is mostly collected in cash by company and only trade recievables that a company has are against the the grant to be recieved, which is a goverment authority ,therefore company is not exposed to any credit risk. Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

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III. Liquidity Risk

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company's management is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the company's net liquidity position through rolling, forecast on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(Rs in Lakhs)

As at 31st March, 2019	Carrying Amount	On Demand	Less than One Year	More than one year	Total
Borrowings	47,146.06	-	5,333.32	41,812.74	47,146.06
Trade Payables	657.11	-	657.11	-	657.11
Other Liabilities	60.39		60.39	-	60.39
Total	**47,863.56**	**-**	**6,050.82**	**41,812.74**	**47,863.56**

As at 31st March, 2018	Carrying Amount	On Demand	Less than One Year	More than one year	Total
Borrowings	42,443.61	-		42,443.61	42,443.61
Trade Payables	263.13	-	75.35	187.78	263.13
Other Liabilities	2,366.74		2,366.74	-	2,366.74
Total	**45,073.48**	**-**	**2,442.09**	**42,631.39**	**45,073.48**

36 Capital Management

(a) Risk Management

The primary objective of the Company's Capital Management is to maximize the shareholder value and also maintain an optimal capital structure to reduce cost of capital. In order to manage the capital structure, the Company may adjust the amount of dividend paid to shareholders, return on capital to shareholders, issue new shares or sell assets to reduce debts.

The Company monitors capital on the basis of following gearing ratio, which is net debt divided by total capital plus debt.

(Rs in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Debt	47,146.06	45,073.48
Cash & bank balances	51.17	8.40
Net Debt	47,094.89	45,065.08
Total Equity	17,007.00	17,007.00
Net debt to equity ratio (Gearing Ratio)	**276.91%**	**264.98%**

Notes-

(i) Debt is defined as long-term and short-term borrowings including current maturities as described in notes-16

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.

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SURATGARH BIKANER TOLL ROAD COMPANY PRIVATE LIMITED
Notes on Financial Statements for the year ended 31st March, 2019

37 Previous year figures have been reclassified, regrouped, rearranged and recomputed to conform to this year's classification, wherever considered

38 Figures in the financial statements have been rounded off in rupees lakhs upto two decimal places.

Significant accounting policies and other accompanying notes (1 to 38) form an integral part of the financial statements.
As per our report on even date

For S.R.Goyal & Co.
Chartered Accountants
Firm Registration No.001537C

(A.K. Atolia)
Partner
Membership No. 077201

Place : New Delhi
Date : 27th May, 2019

For and on behalf of the Board

Mukesh Baheti
Chief Financial Officer

Ritu Agarwal
Company Secretary

Anjanee Kumar Lakhotia
Director
DIN-00357695

Sunita Palita
Director
DIN-03612793