

# **S R GOYAL & CO**

## **CHARTERED ACCOUNTANTS**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SURATGARH BIKANER TOLL ROAD COMPANY PRIVATE LIMITED**

#### **Report on the Standalone IND AS Financial Statements**

We have audited the accompanying standalone financial statements of **SURATGARH BIKANER TOLL ROAD COMPANY PRIVATE LIMITED** ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss( including other comprehensive income ), the Statement of Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information( hereinafter referred to as 'standalone IND AS financial statements').

#### **Management's Responsibility 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 standalone IND AS 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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

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 standalone Ind AS 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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# S R GOYAL & CO

## CHARTERED ACCOUNTANTS

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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

### Basis of Qualified opinion

- 1. The company has not ascertained "Impairment of Assets" as per Ind-AS 36. Therefore, its impact on Financial Statements is not ascertainable.*
- 2. 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.*

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, 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, 2018, and its loss and its cash flows for the year ended on that date.



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### 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 Section 143(11) of the Act, we give in the "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, and the Cash Flow Statement and the statement of change in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 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".
  - 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 did not have any pending litigations on its financial position in its standalone Ind AS financial statements.



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- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There is no requirement for funds to be transferred to the Investor Education and Protection Fund by the Company.

**Place: New Delhi**  
**Date: 30<sup>th</sup> May 2018**

**For S. R. Goyal & Co.**  
**Chartered Accountants**  
**FR No. : 001537C**

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



# **S R GOYAL & CO**

## **CHARTERED ACCOUNTANTS**

**Annexure A to the Independent Auditors' Report to the members of SURATGARH BIKANER TOLL ROAD COMPANY PRIVATE LIMITED**

**Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section**

- (i) (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 in a phased periodical manner, which in our opinion is reasonable, having regards to size of the company and nature of its assets. No material discrepancies were 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 paragraph 3 (iii) (a), (b) & (c) of the Order are not applicable;
- (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.
- (vii) (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax,

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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, 2018 for a period of more than six months are in respect of Tax Deducted at Source amounting Rs.3,38,76,969/-and Works Contracts Tax amounting to Rs.68,82,772/-.

(b) According to the information and explanation given to us , there are no dues in respect of Income tax , wealth tax , excise duty , custom duty , service tax and cess that have not been deposited with appropriate authorities 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	584.02	514.25	567.87	8164.36
Principal Amount	150.00			650.00

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year;

(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) The Company is not a Nidhi Company, hence clause (xii) of para 3 of the Order is not applicable to the Company. Accordingly, paragraph 3(xii) of the Order is not applicable.



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- (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 given 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 him. Accordingly, clause (xv) of para 3 of the Order is not applicable;
- (xvi) 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**  
**FR No. : 001537C**

**Place: New Delhi**  
**Date: 30<sup>th</sup> May 2018**

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



# **S R GOYAL & CO**

## **CHARTERED ACCOUNTANTS**

**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 31<sup>st</sup> March, 2018 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 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.





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## **CHARTERED ACCOUNTANTS**

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

- a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) 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
- c) 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.



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### **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, 2018, 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, 2018, 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, 2018 expressed an unqualified opinion thereon.

**For S. R. Goyal & Co.**  
**Chartered Accountants**  
**FR No. : 001537C**

**Place: New Delhi**  
**Date: 30<sup>th</sup> May 2018**

  
**A.K. Atolia**  
**(Partner)**

**M. No. : 077201**



**SURATGARH BIKANER TOLL ROAD COMPANY PRIVATE LIMITED**  
Balance Sheet as at 31st March, 2018

*Rupees in Lakhs*

	Note No.	As on 31st March, 2018	As on 31st March, 2017
<b>ASSETS</b>			
<b>(1) Non current assets</b>			
(a) Property, plant and equipment			-
(b) Intangible asset under development	4	72,514.39	65,868.60
(c) Other intangible assets			-
(d) Financial assets			-
(i) Investment			-
(ii) Trade receivables			-
(iii) Loans			-
(iv) Others			-
(d) Deferred tax assets(net)			-
(e) Other non current assets			-
<b>(2) Current assets</b>			
(a) Inventories			-
(b) Financial assets			-
(i) Investment			-
(ii) Trade receivables	5	83.73	83.73
(iii) Cash and cash equivalents	6	8.40	10.06
(iv) Loans			-
(v) Others			-
(c) Current tax assets (net)	7	24.08	24.08
(d) Other current assets	8	10.88	8.86
<b>TOTAL ASSETS</b>		<b>72,641.48</b>	<b>65,995.33</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	9	17,007.00	17,007.00
(b) Other equity			-
<b>LIABILITIES</b>			
<b>(1) Non current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	10	42,443.61	44,594.42
(ii) Trade payables			-
(iii) Other financial liability			-
(b) Provisions			-
(c) Deferred tax liabilities (net)			-
(e) Other non current liabilities			-
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	11	262.82	183.45
(ii) Trade payables	12	2,366.74	165.86
(iii) Other financial liability	13	10,561.31	4,044.60
(b) Other current liabilities			-
(c) Provisions			-
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>72,641.48</b>	<b>65,995.33</b>

Significant accounting policies and other accompanying notes (1 to 21) 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

Dated : May 30th, 2018



**Ritu Agarwal**  
Company Secretary

**Mukesh Baheti**  
Chief Financial Officer

**For and on behalf of the Board**

**Anjanee Kumar Lakhota**  
Director

DIN-00357695

**Sunita Palta**  
Director

DIN-03612793

**Statement of changes in equity for the year ended 31st March 2018****A Equity Share Capital**

Rupees in Lakhs	
Particulars	Share capital
Balance as on April 1, 2015	9,000
Add: Shares issued during the year 2015-16	6,852
Balance as on March 31, 2016	15,852
Add: Shares issued during the year 2016-17	1,155
Balance as on March 31, 2017	17,007
Add: Shares issued during the year 2017-18	-
Balance as on March 31, 2018	17,007

Significant accounting policies and other accompanying notes (1 to 21) 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

Dated : May 30th, 2018

*Ritu Agarwal*  
Ritu Agarwal  
Company Secretary

*Mukesh Baheti*  
Mukesh Baheti  
Chief Financial Officer

**For and on behalf of the Board**

*Anjanee Kumar Lakhota*  
Anjanee Kumar Lakhota  
Director  
DIN-00357695

*Sunita Palta*  
Sunita Palta  
Director  
DIN-03612793

**SURATGARH BIKANER TOLL ROAD COMPANY PRIVATE LIMITED**

**Cash Flow Statement for the year ended 31st March, 2018**

Rupees In Lakhs

	For the year ended 31.03.2018		For the year ended 31.03.2017	
<b>A. Cash flow from operating activities:</b>				
Operating profit before working capital changes:				
Adjusted for:				
Increase / (Decrease) in other current liabilities	8,717.59		3,255.57	
Increase / (Decrease) in trade payables	79.37		(3,497.54)	
(Increase) / Decrease in other current assets	(2.02)		4,588.95	
(Increase) / Decrease in debtors	-	8,794.94	-	4,346.98
Less : Direct taxes paid		-		-
<b>Net cash generated from / (used in) operating activities</b>		<b>8,794.94</b>		<b>4,346.98</b>
<b>B. Cash flow from investing activities:</b>				
Intangible assets under development	(6,645.79)		(13,392.88)	
<b>Net cash generated from / (used in) investing activities</b>		<b>(6,645.79)</b>		<b>(13,392.88)</b>
<b>C. Cash flow from financing activities:</b>				
(Repayments) / Proceeds of secured loan	(2,150.81)		6,588.80	
(Repayments) / Proceeds of Equity Share capital	-	(2,150.81)	1,155.00	7,743.80
<b>Net cash generated from / (used in) financing activities</b>		<b>(2,150.81)</b>		<b>7,743.80</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>		<b>(1.66)</b>		<b>(1,302.10)</b>
<b>Opening balance of cash &amp; cash equivalents</b>		<b>10.06</b>		<b>1,312.16</b>
<b>Closing balance of cash &amp; cash equivalents (refer note 6)</b>		<b>8.40</b>		<b>10.06</b>

Significant accounting policies and other accompanying notes (1 to 21) 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

Dated : May 30th, 2018



**Ritu Agarwal**  
Company Secretary

**Mukesh Baheti**  
Chief Financial Officer

**For and on behalf of the Board**

**Anjanee Kumar Lakhotia**  
Director

DIN-00357695

**Sunita Palta**  
Director  
DIN-03612793

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2018

**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****2.1 Statement of Compliance**

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2016 and therefore Ind AS issued, notified and made effective till the financial statements are authorized have been considered for the purpose of preparation of these financial statements.

These are the Company's first Ind AS Standalone Financial Statements and the date of transition to Ind AS as required has been considered to be April 1, 2015.

The financial statement upto the year ended March 31, 2016, were prepared under the historical cost convention.

The financial statements have been prepared on accrual basis in accordance with the Generally Accepted Accounting and the Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, then applicable (Previous GAAP) to the company. Previous period figures in the Financial Statements have now been restated in compliance to Ind AS.

**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 Preparation**

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 affects 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.



### 3.4 Intangible Asset

The company initially recognises the intangible asset at Cost and subsequently measure 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 asset, 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').

#### Derogisation 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 Liabilities

##### 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 Liabilities 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.



### 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 Arrangements

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 construction of asset .

### 3.8 Revenue recognition

Revenue is recognised when all the significant risk and rewards are transferred as per terms and no uncertainty 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 SCA :

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

#### Service concession arrangement: 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.





### 3.13 Segment reporting

The company's operation predominantly consists of infrastructure development, 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 receipts or payments and items of income or expenses associated 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 considers 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 represents 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 sheet 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.



**SURATGARH BIKANER TOLL ROAD COMPANY PRIVATE LIMITED**  
**Notes on Financial Statements for the year ended 31st March, 2018**

*Rupees in Lakhs*

Particulars	As on 31st March, 2018	As on 31st March, 2017
<b>4. INTANGIBLE ASSETS UNDER DEVELOPMENT</b>		
Payment For Development Charges	52,102.36	52,102.36
Design & Survey Charges	198.39	139.15
Bank Charges	116.26	116.09
Salary & Wages	191.61	176.75
Interest on Term Loan	18,735.43	12,290.69
Director Sitting Fees	4.00	4.00
Filing Fee	106.68	106.68
Travelling Expenses	1.67	1.37
Independent Engineers Fees	605.77	533.77
Insurance Charges	121.97	110.70
Preliminary Expenses Written off	0.30	0.30
Legal & Professional Fees	88.35	80.82
Payment to Auditor		
Audit fee	7.47	5.97
Internal Audit Fee	0.48	0.37
Certification Fee	1.80	1.80
Loan Processing Fee	28.27	28.27
Miscellaneous Expenses	96.30	96.30
Finance Cost (Transaction Cost amortised)	107.28	73.21
	72,514.39	65,868.60
<b>5. Trade Receivables</b>		
Outstanding for a period exceeding six months	83.73	83.73
Others		
Unsecured, considered good (refer note 5.1)	83.73	83.73
5.1 Trade Receivables are subject to confirmation from certain parties.		
<b>6. CASH AND CASH EQUIVALENTS</b>		
Balances with banks in current account	8.40	10.06
	8.40	10.06
<b>7. CURRENT TAX ASSET</b>		
Tax Deducted at Source	24.08	24.08
	24.08	24.08
<b>8. OTHER CURRENT ASSETS</b>		
(Unsecured, considered good)		
Prepaid expenses	10.88	8.86
	10.88	8.86



**SURATGARH BIKANER TOLL ROAD COMPANY PRIVATE LIMITED**  
**Notes on Financial Statements for the year ended 31st March, 2018**

*Rupees in Lakhs*

Particulars	As on 31st March, 2018	As on 31st March, 2017
<b>9. SHARE CAPITAL</b>		
<b>Authorised</b>		
(C.Y. 17,00,70,000 equity shares of ` 10/- each.)	17,007.00	17,007.00
(P.Y. 17,00,70,000 equity shares of ` 10/- each.)		
<b>Issued, subscribed and paid up</b>		
(C.Y. 17,00,70,000 equity shares of ` 10/- each fully paid up)	17,007.00	17,007.00
(P.Y. 17,00,70,000 equity shares of ` 10/- each fully paid up)	17,007.00	17,007.00

**9.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31.03.2018		As at 31.03.2017	
	Number	Value (` in Lakhs)	Number	Value (` in Lakhs)
<b>Equity Shares :</b>				
No. of Shares outstanding at the beginning of the year	170,070,000	17,007	158,520,000	15,852
Add: Issued during the period	-	-	11,550,000	1,155
No. of Shares outstanding at the end of the year	170,070,000	17,007	170,070,000	17,007

**9.2** 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, after distribution of all preference amount, in proportion of their shareholding.

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

Name of the shareholders	As at 31.03.2018		As at 31.03.2017	
	No. of shares	%	No. of shares	%
MBL Infrastructures Limited	10,02,70,000	58.96	10,02,70,000	58.96
MBL Projects Limited	6,97,82,250	34.30	5,83,32,250	34.30
MBL (A) Capital Limited			1,14,50,000	6.73

**10. NON CURRENT FINANCIAL LIABILITY - BORROWINGS**

**Secured term loan**

From banks

42,443.61	44,594.42
42,443.61	44,594.42

**10.1** 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.

**10.2** Maturity profile of long term borrowings are as set out below :\*

*Rupees in Lakhs*

Particulars	Rate of Interest (%)	within 1 year	1 to 2 years	2 to 3 years	beyond 3 years
<b>From Bank</b>	<b>12.50</b>	12,197.23	2,568.32	3,070.48	36,804.82

# Interest rate is linked to base rate of the lender bank, which may vary.

\* Resolution Plan has been submitted Bankers for consideration.

**11. CURRENT FINANCIAL LIABILITY - TRADE PAYABLES**

A) Total outstanding dues of micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006

B) Total outstanding dues of Creditors other than micro enterprises and small enterprises under Micro, Small and Medium Enterprises

262.82	183.45
262.82	183.45

**11.1** Trade payables are subject to confirmation from certain parties.

**12. OTHER FINANCIAL LIABILITY- CURRENT**

**Current maturities of long term borrowings**

From a bank

2,366.74	165.86
2,366.74	165.86

**13. OTHER CURRENT LIABILITIES**

Statutory dues payable

486.46	479.70
--------	--------

Other liabilities (refer note 13.1)

10,074.85	3,564.90
10,561.31	4,044.60

**13.1** Includes creditors for expenses etc.



**SURATGARH BIKANER TOLL ROAD COMPANY PRIVATE LIMITED**

**Notes on Financial Statements for the year ended 31st March, 2018**

**14. 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**

<b>Relationship</b>	<b>Name of the related party</b>
Holding Company	MBL Infrastructures Limited
Key Management Personnel	a) Anjanee Kuamar Lakhota (Director) b) Sunita Palta (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**

**Rupees in Lakhs**

<b>Nature of Transactions</b>	<b>Holding Company</b>		<b>Key Management Personnel</b>	
	<b>31st March 2018</b>	<b>31st March 2017</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
<b>Development charges paid</b>				
MBL Infrastructures Limited	-	7,522.02	-	-
<b>Salary</b>				
Mukesh Baheti	-	-	10.84	7.83
Manisha Choudhary	-	-	-	4.98
Ritu Agarwal	-	-	4.00	-
<b>Director Sitting Fees</b>				
Kumar Singh Baghel	-	-	-	0.45
Ram Dayal Modi	-	-	-	0.45
Sunita Palta	-	-	-	0.45

**C. Balance outstanding as on 31st March, 2018**

<b>Nature of Transactions</b>	<b>Holding Company</b>		<b>Key Management Personnel</b>	
	<b>31st March 2018</b>	<b>31st March 2017</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
<b>Trade payable</b>				
MBL Infrastructures Limited	172.35	157.49	-	-
MBL Projects Limited	11.20	-	-	-
<b>Salary &amp; Wages</b>				
Manisha Choudhary	-	-	-	2.95

**15. The Company has defaulted in the repayment of dues (interest and principal) during the period as per the original sanction letter and as detailed below:**

<b>Period of Default*</b>	<b>Rupees in Lakhs</b>			
<b>Terms Loan From Banks &amp; Financial Institution</b>	<b>0 to 30 Days</b>	<b>31 to 60 Days</b>	<b>61 to 90 Days</b>	<b>Above 90 Days</b>
Interest Amount	584.02	514.25	567.87	8,164.36
Principal Amount	150.00	-	-	650.00

\*Resolution Plan has been submitted to the Bankers for consideration.

**16. 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.**

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.



## Notes to the financial statement as on 31-03-2018

## Note 17 : 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:

Particulars	As at March 31, 2018	As at March 31, 2017
Variable rate borrowings	44,810	44,760
Fixed rate borrowings	-	-
<b>Total borrowings</b>	<b>44,810</b>	<b>44,760</b>

(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	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Borrowings	+50	+50	-224	-224
	- 50	- 50	224	224

(b) **Foreign currency risk**

The Company does not operate 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 on 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 receivables that a company has are against the the grant to be received, which is a government 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.

**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:

As at March 31, 2018	Carrying Amount	On Demand	Less than One Year	More than one year	Total
Borrowings	44,810.35	-	2,366.74	42,443.61	44,810.35
Other Liabilities	262.82	-	75.35	187.47	262.82
<b>Total</b>	<b>45,073.17</b>	<b>-</b>	<b>2,442.09</b>	<b>42,631.08</b>	<b>45,073.17</b>

As at March 31, 2017	Carrying Amount	On Demand	Less than One Year	More than one year	Total
Borrowings	44,760.28	-	165.86	44,594.42	44,760.28
Other Liabilities	183.45	-	-	183.45	183.45
<b>Total</b>	<b>44,943.73</b>	<b>-</b>	<b>165.86</b>	<b>44,777.87</b>	<b>44,943.73</b>

#### Note 18 : 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.

Particulars	As at March 31, 2018	As at March 31, 2017
Debt (Borrowings from Banks & Financial Institution)	45,073.17	44,943.73
Cash & bank balances	8.40	10.06
Net Debt	45,064.77	44,933.67
Total Equity	17,007.00	17,007.00
Net debt to equity ratio (Gearing Ratio)	264.98%	264.21%

##### Notes-

- (i) Debt is defined as long-term and short-term borrowings including current maturities as described in notes 12
- (ii) Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.



**SURATGARH BIKANER TOLL ROAD COMPANY PRIVATE LIMITED**

**Notes to the financial statement as on 31-03-2018**

**Note 19 : Fair Value Measurement Hierarchy**

**a) Financial instruments by category**

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

Particulars	(Amount in Rs.)	
	As at March 31, 2018	As at March 31, 2017
<b>Financial Asset</b>		
<b>Measured at amortised cost</b>		
Trade receivables	83.73	83.73
Other Financial Assets	-	-
Cash and Bank Balances	8.40	10.06
<b>Total Financial Assets</b>	<b>92.13</b>	<b>93.79</b>
<b>Financial Liabilities</b>		
<b>Measured at amortised cost</b>		
Borrowings	44,810.35	44,760.28
Trade payables	262.82	183.45
<b>Total Financial Liabilities</b>	<b>45,073.17</b>	<b>44,943.73</b>

**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.



**SURATGARH BIKANER TOLL ROAD COMPANY PRIVATE LIMITED**

**Notes on Financial Statements for the year ended 31st March, 2018**

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

**21** 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 21) 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



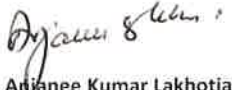
Place : New Delhi

Dated : 30th May, 2018

  
Ritu Agarwal  
Company Secretary

  
Mukesh Baheti  
Chief Financial Officer

**For and on behalf of the Board**

  
Arjanee Kumar Lakhota  
Director  
DIN-00357695

  
Sunita Palta  
Director  
DIN-03612793