INDEPENDENT AUDITORS' REPORT

To
The Members of
Ayodhya Gorakhpur SMS Tolls Private Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Ayodhya Gorakhpur SMS Tolls Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the 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 forming part thereof.

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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS 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 obtained by us and the audit evidence obtained by the branch auditors and other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2017 , its profit including other comprehensive income , its cash flows and the changes in equity for the year ended on that date.

1) Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules thereunder.

(e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal Financial controls over financial reporting of the company and the operating effectiveness of such controls, 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 has no major 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 are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

(iv)The company has provided requisite disclosures in its Ind AS Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. However, we are unable to obtain sufficient and appropriate evidence to support the information produced to us by the management.

FOR BSVM and Associates
Chartered Accountants
FRN: 123161W

Prateek Vaidya
Partner
M. No. 118792
Place: Nagpur
Date: 26th September 2017

Annexure-A referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2017, we report that:

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

(b) As explained to us all the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

(c) The Company does own any immovable property, thus Para 3 (i) (c) is not applicable.

(ii) (a) The Company is a service company, rendering Operations and Maintenance service. Accordingly does not hold any physical inventories. Thus, paragraph 3 (ii) of the order is not applicable to the company.

(iii) (a) The company has granted loans to the parties covered in the register maintained u/s 189 of the Act. In our opinion and according to information and explanation given to us, the terms and conditions of loans are not prejudicial to the company's interest.

(b) In respect to loans granted to the parties, there is no principal amount due for payment during the year. According to information and explanation given to us, the terms of arrangements do not stipulate any Interest and repayment schedule and the loans are repayable on demand. Since there is no stipulation of payment of interest, we are unable to make comment on regularity of payment of interest.

(c) There are no overdue amounts in respect of the loans granted to the Parties listed in the register maintained u/s 189 of the Act.

(iv) In our opinion and according to information and explanations given to us and independent opinion obtained, the company has generally complied with the provisions of Section 185 and 186 of the act, with respect to the loans and investments made.

(v) The company has not accepted any deposits from the public.

(vi) According to information and explanations given to us and in our opinion , on the basis of records produced to us , prima facie , the cost records and accounts prescribed by the central government under section 148 (1) of the act have been maintained . We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

AND ASSOCIATES
FRN 120151W
202, Kalinga Arcade
Shankar Nagar

(vii) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2016 for a period of more than six months from the date of becoming payable.

(b) As informed to us there are no disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities.

(viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks/debentures.

(ix) The Company did not raise any money by way of initial public offer or further public offer. However with respect to term loan raised during the year, the same have been applied for the purpose for which those are raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company have been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.

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

(xiii) According to information and explanations given to us and based on examination of records of 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 duly disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to information and explanations given to us and based on examination of records of company the company has not made any preferential allotment or private placement of shares or fully or party convertible debentures during the year.

(xv) According to information and explanations given to us and based on examination of records of company , the company has not entered into non cash transactions with the directors or persons connected with him .Accordingly paragraph 3 (xv) 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 BSVM and Associates
Chartered Accountants
FRN: 123161W

Prateek Vaidya
Partner
M. No. 118792
Place: Nagpur
Date: 26th September 2017

Annexure B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Ayodhya Gorakhpur SMS Tolls Private Limited ('the Company') as of 31 March 2017 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 were 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 auditors' 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 over financial reporting included those policies and procedures that (1) pertain to the maintenance of record 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 expenditure of the company are being made only in accordance with authorization of the 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 of future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

FOR BSVM and Associates
Chartered Accountants
FRN: 123101W

Prateek Vaidya
Partner
M. No. 118792
Place: Nagpur
Date: 26th September 2017

AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED

Balance Sheet as at 31 March 2017

Particulars	Notes	As at 31 March 2017 ₹	As at 31 March 2016 ₹	As at 1 April 2015 ₹
ASSETS:				
Non-current assets				
Property, Plant and Equipment	3	1,29,34,324	1,77,09,451	2,54,82,127
Capital work in progress		-	-	-
Other Intangible Assets	4	6,25,02,99,472	6,84,57,95,487	7,35,51,45,283
Intangible assets under development		-	-	14,38,697
Financial Assets				
i) Investments		-	-	-
ii) Loans		-	-	-
iii) Other Financial Assets	5	5,70,49,221	40,450	31,450
Deferred Tax Assets (net)	6	22,03,889	22,03,889	21,19,189
Other Non-current assets		-	-	-
Total Non-Current Assets		6,32,24,86,906	6,86,57,49,277	7,38,42,16,746
Current Assets				
Financial Assets				
i) Trade Receivables	7	93,40,658	13,910	-
ii) Cash and Cash Equivalent	8	9,85,46,984	12,82,81,793	9,30,85,067
iii) Bank Balances other than (ii) above		-	-	-
iv) Loans	9	41,11,85,000	2,54,192	1,99,07,052
v) Other Financial Assets	10	42,65,593	12,26,594	10,23,046
Other Current Assets	11	17,54,30,791	25,54,71,580	2,76,83,477
Total Current Assets		**69,87,69,026**	**38,52,48,069**	**14,16,98,642**
Total Assets		**7,02,12,55,932**	**7,25,09,97,347**	**7,52,59,15,388**
EQUITY AND LIABILITIES:				
Equity				
Equity Share Capital	12	16,00,00,000	1,00,000	1,00,000
Other Equity	13	3,36,593	10,60,92,017	5,92,18,637
Total Equity		**16,03,36,593**	**10,61,92,016.85**	**5,93,18,636.77**
Liabilities				
Non-current liabilities				
Financial Liabilities:				
Borrowings	14	38,64,62,388	1,63,270	7,63,971
Provisions	15	6,18,85,60,010	7,02,86,39,899	7,36,64,84,094
Other Non-Current Liabilities		-	-	-
Total Non-Current Liabilities		**6,57,50,22,398**	**7,02,88,03,169**	**7,36,72,48,065**
Current Liabilities				
Financial Liabilities				
Borrowings		-	-	1,24,77,393
Trade Payables	16	10,21,83,215	8,67,35,444	7,68,62,612
Other Financial Liabilities	17	15,13,07,284	76,61,174	91,02,511
Provisions	18	2,23,96,097	16,43,225	9,06,171
Other Current Liabilities	19	1,00,10,345	1,99,62,318	-
Total Current Liabilities		**28,58,96,941**	**11,60,02,161**	**9,93,48,687**
Total Liabilities		**6,86,09,19,339**	**7,14,48,05,330**	**7,46,65,96,752**
Total Equity and Liabilities		**7,02,12,55,932**	**7,25,09,97,347**	**7,52,59,15,388**

Significant Accounting Policies 2

Notes to Financial Statements 3-36

The notes referred to above form an integral part of the standalone financial statements

As Per Our report of even date attached

For BSVM and Associates
Chartered Accountants
Firm Reg. No. 123161W

CA Prateek Vaidya
Partner
Membership No. 118792
Date: 26th September 2017
Place: Nagpur

For and On Behalf of the Board of Directors
Ayodhya Gorakhpur SMS Tolls Private Limited

Dattatraya Kinage
Director
DIN: 00186353

Dilip Surana
Director
DIN:00953495

AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED
Statement of Profit and Loss for the period ended 31 March 2017

	Particulars	Notes	As at 31 March 2017 ₹	As at 31 March 2016 ₹
I.	Revenue from Operations	20	1,46,96,07,403	1,29,45,95,865
II.	Other Income	21	33,63,371	27,85,601
III.	**Total income**		**1,47,29,70,774**	**1,29,73,81,466**
IV.	**Expenses**			
	Operating & Maintenance Expenses	22	11,81,63,454	1,76,87,673
	Employee Benefits Expense	23	6,40,36,937	5,13,89,621
	Depreciation and Amortization Expense	3,4	1,16,71,83,263	1,11,10,25,439
	Finance Costs	24	1,99,29,386	60,38,213
	Other Expenses	25	3,78,64,975	2,98,99,340
	Total Expense (IV)		**1,40,71,78,016**	**1,21,60,40,286**
V.	**Profit Before Tax (III-IV)**		**6,57,92,758**	**8,13,41,180**
VI.	**Income Tax Expense**			
	(1) Current Tax		1,16,48,182	3,45,52,500
	(2) Adjustment of tax relating to earlier periods		-	-
	(3) Deferred Tax		-	(84,700)
	Total Tax Expense		**1,16,48,182**	**3,44,67,800**
VII.	**Profit From Continuing Operations (V-VI)**		**5,41,44,576**	**4,68,73,380**
VIII.	**Other Comprehensive Income/(Loss) from Continued Operations**			
	(i) Items that will not be reclassified to profit or loss :		-	-
	(ii) Income Tax relating to above items that will not be classified to profit & loss.		-	-
	Other Comprehensive Income/(Loss) from continued operations (Net of Tax)		-	-
IX.	**Total Comprehensive Income/(Loss) from continued operations (VII + VIII) (Comprising Profit and Other Comprehensive Income for the period)**		**5,41,44,576**	**4,68,73,380**
	Basic and Diluted Earnings per share (₹)	**32**	**3.38**	**2.93**

Significant Accounting Policies 2

The notes referred to above form an intergral part of the stanalone financial statements

As Per Our report of even date attached

For BSVM and Associates
Chartered Accountants
Firm Reg. No. 123161W

For and On Behalf of the Board of Directors
Ayodhya Gorakhpur SMS Tolls Private Limited

CA Prateek Vaidya
Partner
Membership No. 118792
Date: 26th September 2017
Place: Nagpur

Dattatraya Kinage
Director
DIN: 00186353

Dilip Surana
Director
DIN:00953495

AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED

Statement of changes in equity for the year ended 31 March 2017

A. EQUITY SHARE CAPITAL	
Balance as at 1 April 2015	1,00,000
Changes in equity share capital during the year	-
Balance as at 31 March 2016	1,00,000
Changes in equity share capital during the year	15,99,00,000
Balance as at 31 March 2017	16,00,00,000

B. OTHER EQUITY

	Attributable to the equity holders		
	Reserves and Surplus	Items of OCI	Total Equity
	Retained Earnings	FVTOCI Reserve	
Balance as at 1 April 2015	5,92,18,637	-	5,92,18,637
Profit for the period	4,68,73,380	-	4,68,73,380
Other comprehensive income	-	-	-
Total comprehensive income	10,60,92,017	-	10,60,92,017
Interim Dividend paid	-	-	-
Balance as at 31 March 2016	**10,60,92,017**	**-**	**10,60,92,017**
As at 1 April 2016	10,60,92,017	-	10,60,92,017
Profit for the period	5,41,44,576	-	5,41,44,576
Preliminary expense write off	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	16,02,36,593	-	16,02,36,593
Less: Bonus Shares issued during the year	(15,99,00,000)	-	(15,99,00,000)
Interim Dividend paid	-	-	-
Balance as at 31 March 2017	**3,36,593**	**-**	**3,36,593**

Significant Accounting Policies **2**

Notes to Financial Statements **3-36**

The notes referred to above form an integral part of the standalone financial statements

As Per Our report of even date attached

For BSVM and Associates
Chartered Accountants
Firm Reg. No. 123161W

CA Prateek Vaidya
Partner
Membership No. 118792
Date: 26th September 2017
Place: Nagpur

For and On Behalf of the Board of Directors
Ayodhya Gorakhpur SMS Tolls Private Limited

Dattatraya Kinage
Director
DIN: 00186353

Dilip Surana
Director
DIN:00953495

AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED

Cash Flow Statement for the year ended 31st March 2017

Particulars	Notes	Year Ended 31st March 2017	Year Ended 31st March 2016
CASH FLOW FROM OPERATING ACTIVTIES:			
Profit / (loss) before tax		6,57,92,758	8,13,41,180
Adjusments for:			
Depreciation and Amortization Expense	3,4	1,16,71,83,263	1,11,10,25,439
Finance Charges	24	1,99,29,386	60,38,213
Interest Income	21	(32,61,103)	(23,90,823)
Operating cash profit / (loss) before working capital changes		**1,24,96,44,305**	**1,19,60,14,009**
Adjustments for changes in working capital			
(Increase) /decrease in Trade receivable		(93,26,748)	(13,910)
(Increase) / decrease in Loans		(64,30,808)	1,96,52,860
(Increase) /decrease in Current Financial Assets- Others		(30,38,999)	(2,03,548)
(Increase) / decrease in Other Current Assets		13,66,35,941	(24,31,53,142)
Increase / (decrease) in Trade Payables - Short Term		1,54,47,771	98,72,832
Increase / (decrease) in Current Financial Liabilities - Others		5,17,160	(14,41,337)
Increase / (decrease) in Short Term Provision		2,07,52,872	7,37,054
Increase / (decrease) in Other Current Liabilities		(99,51,973)	1,99,62,318
Increase / (decrease) in Long Term Provision		(84,00,79,889)	(33,78,44,195)
Cash generated / (used) from operations		**55,41,69,631**	**66,35,82,942**
Income Tax Paid		6,82,43,334	1,91,87,461
Net cash inflow / (outflow) from operating activities (A)		**48,59,26,297**	**64,43,95,481**
CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant & Equipment including CWIP,intangible assets		(56,69,12,121)	(59,24,64,271)
Sale of Property, Plant & Equipment		-	-
Loans and Advance made to Related parties - Given		(40,65,00,000)	-
Loans and Advance made to Related parties - Repayment Received		20,00,000	-
Investment in bank deposit (having original maturity of more than three months)		(5,70,05,271)	-
Other non current deposits		(3,500)	(9,000)
Interest Received		32,61,103	23,90,823
Net cash inflow / (outflow) from investing activities (B)		**(1,02,51,59,789)**	**(59,00,82,448)**
CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from Issue of Share Capital		-	-
Proceeds from borrowings		55,94,00,000	-
Repayment of borrowings		(3,00,00,000)	(1,30,78,094)
Advances / deposits received / (paid)		-	-
Interest paid	24	(1,99,01,318)	(60,38,213)
Net cash inflow / (outflow) from financing activities (C)		**50,94,98,682**	**(1,91,16,307)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(2,97,34,809)**	**3,51,96,725**
Add: Cash and cash equivalents at the beginning of the year		12,82,81,793	9,30,85,067
Cash and cash equivalents at the end of the year		**9,85,46,984**	**12,82,81,793**

Cash and Cash equivalents includes as at 31st March,2017

Particulars		31st March 2017	31st March 2016
Cash on hand	8	1,06,64,602	1,35,30,474
Balance with banks in current accounts	8	8,77,45,076	52,24,029
Balance with banks in deposit accounts	8	1,37,306	10,95,27,291
Cash and cash equivalents at the end of the year		**9,85,46,984**	**12,82,81,793**

Notes:

1) The cash flow statement has been prepared under Indirect Method as per Accounding Standard - 3 "Cash Flow Statement".

2) All figures in bracket are outflow.

3) Direct taxes paid are treated as arising from operating activities and are not bifurecated between investing and financing activities.

4) Previous year figures have been recast / restated wherever necessary.

As Per Our report of even date
For BSVM and Associates
Chartered Accountants
Firm Regn. 123161W

Prateek Vadiya
Partner
M No 118792
Date: 26th September 2017
Place: Nagpur

For and On Behalf of the Board of Directors
Ayodhya Gorakhpur SMS Tolls Private Limited

Dattatraya Kinage
Director
DIN: 00186353

Dilip Surana
Director
DIN:00953495

AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED
Notes to Financial Statements as at 31st March, 2017:

1 **Corporate information**

AYODHYA GORAKHPUR SMS TOLLS PRIVATE LIMITED is a Limited Liability Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. NHAI has granted a contract to the Company to Operate, Maintain and Transfer ('OMT') of National Highway No. 28 ('NH 28') under the Concession Agreement dated 5th March 2013 for a period of 9 years. The said project shall include construction on the site of the project facilities, operation and maintenance of the project highway and performance and fulfillment of all other obligations incidental thereto.

2 **Statement of Significant Accounting Policies**

2.1 **Basis of preparation:**

These financial statements of the Company for the year ended March 31, 2017 along with comparative financial information for the year March 31, 2016 and Opening Balance Sheet as at April 1, 2015 have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules,2015 as amended and other relevant provisions of the Act.

The financial statements for the year ended 31 March 2017 are the first year the Company has prepared in accordance with Ind AS and are covered by Ind AS 101, first-time adoption of Indian Accounting standards. For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the date of transition to Ind AS.

Historical Cost Convention:

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value;

Current non-current classification:

All assets and liabilities have been classified as current or noncurrent as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

2.2 **Functional and presentation currency:**

These standalone financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded to the nearest rupees, unless otherwise indicated.

2.3 **Critical accounting judgements and key sources of estimation uncertainty:**

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the (standalone) balance sheet and (standalone) statement of profit and loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

a) **Property, plant and equipment :**

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest if any.

b) **Recognition of deferred tax assets :**

A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management is reasonably certain that taxable profits will be available to absorb carried forward losses while recognising deferred tax assets.

c) **Recognition and measurement of other provisions :**
The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

d) **Discounting of long-term financial instruments :**
All financial instruments are required to be measured at fair value on initial recognition. In case of financial instruments which are required to subsequently measured at amortised cost, interest is accrued using the effective interest method.

e) **Overlay Expenditure:**
As per the concession Agreement entered with NHAI , the company has a contractual obligation to carry out resurfacing /overlay of the roads under concession.Provision for overlay in respect of toll roads maintained by the company under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facilities to a specified level of serviceability in respect of such asset and hence has recognised the same as an upgrade service and as intangible asset , the timing and amount of such asset are estimated and recognised on a discounted basis. Estimate of the provision is measured using a number of factors such as contractual requirements ,technology , expert opinions and expected price level . Because actual cash flows can differ from estimates due to changes in laws ,regualtions, public expectation ,technology ,prices and conditions and can take place many years in the future , the carrying amounts of provisions is reveiwed at regular intervals and adjusted to take account of such changes.

2.4 **Measurement of fair values:**
The Company's accounting policies and disclosures require the measurement of fair values for financial instruments. When measuring the fair value of a financial asset or a financial liability, fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
The Company recognises transfers due to change between levels of the fair value hierarchy at the end of the reporting period.

2.5 **Significant accounting policies**

i) **Property, Plant, Equipment**

a) Recognition and measurement
Property, Plant, Equipment are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs. either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.
If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

b) Transition to IND AS
On transition to Ind AS, Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April1, 2015 measured as per the Previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment."

c) Depreciation / amortization
Depreciation is provided on a pro-rata basis on the written down value method over the estimated useful life of the assets.
Depreciation on addition/deletion of fixed assets during the year is provided on pro-rata basis from / to the date of addition/ deletion. Fixed assets costing up to ` 5,000 individually are fully depreciated in the year of purchase.
Useful life of the asset is taken, as specified in Schedule II of the Companies Act, 2013"

d) Subsequent expenditure:
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

e) Impairment of fixed assets:

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such Reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such Reversal is not recognized.

ii) **Intangible assets**

Toll Collection Rights

a) Recognition and Measurement

Toll collection rights are stated at cost, less accumulated amortisation and impairment losses. Cost includes:

Contractual Upfront / monthly /fortnightly payments towards acquisition

b) Contractual obligation to restore the infrastructure to a specified level of serviceability

In case of concession arrangements under of such costs are estimated and recognised on a discounted basis by charging costs to revenue on the units of usage method i.e. on the number of vehicles expected to use the project facility , over the period at the end of which the overlay is estimated to be carried out based on technical evalution by independent experts

b) Amortisation of intangible asset under SCA

The intangible rights realtion to infrastructure assets , which are recognised in the form of rights to charge users of the infrastructure assets are amortized by taking proportionate of actual traffic count for the period over total projected traffic count from project to cost of intangible assets i.e. proportionate of actual traffic count from the intangible assets expected to earned over the balance concession period as estimated by management

c) Accounting of receivable and payable from / to the grantor

When the aarangements has a contractual obligation to pay cash or other finanacial asset to the grantor speifiacally towards the concession arrangements during the construction period or otherwise , such unconditional obligation to pay cash is recorded as financial liabilities on the date when the obligation arises accordance with Ind AS 109 Financial Instruments at amortise cost , with a corresponding recognisation of an intangible asset. Thereafter , the interest expense is recognised based of effective interest rate method , which also becomes eligible for capitalisation on qualifying assets

iii) **Borrowing cost**

Borrowing costs are interest and other costs related to borrowing that the Company incurs. in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest costs measured at Effective Interest Rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Ancillary borrowing costs are amortised over the tenure of the loan. Borrowing costs that are attributable to acquisition or construction of qualifying assets are capitalized as a part of cost of such assets till the time the asset is ready for its intended use. A qualifying assets is the one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recorded as an expense in the year in which they are incurred. Ancillary borrowing costs are amortised over the tenure of the loan.

iv) **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of

A Financial assets

Classification

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to a contract that gives rise to a financial asset of one entity or equity instrument of another entity. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets , other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets , as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in statement of profit and loss.

NAGPUR

Debt instruments at amortised cost

A 'debt instrument' 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. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at FVOCI

A 'debt instrument' is measured at the Fair value through other comprehensive income(FVOCI) if both the following conditions are met:

a) The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets., 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.

For assets classified as subsequently measured at FVOCI, interest revenue, expected credit losses, and foreign exchange gains or losses are recognised in profit or loss. Other gains and losses on remeasurement to fair value are recognised in OCI. On derecognition, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. In addition, the group may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised

(i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Compnay has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of owners.hip. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets:

Financial assets of the Company comprise of trade receivable and other receivables consisting of debt instruments e.g., loans, debt securities, deposits, and bank balance. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. An impairment loss for trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Impairment losses if any, are recognised in profit or loss for the period."

B. Financial liabilities

Financial instruments with a contractual obligation to deliver cash or another financial assets is recognised as financial liability by

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

vi) **Leases**

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of owners.hip are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of owners.hip are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

vii) **Trade Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment.

viii) **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

ix) **Provisions, contingent liabilities and contingent assets**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes to the financial statements.

Contingent assets are not recognized in the financial statements.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

x) **Revenue recognition:**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company, the revenue can be reliably measured and no significant uncertainty as to the measurability and collectability exists.

Toll collection

Revenue from toll collection is recognised on actual collections of toll and in case of contractual terms with certain customers. the same is recognised on an accrual basis.

Revenue from Construction Contracts

Contract revenue and contract cost associated with the construction of road are recognised as revenue and expenses respectively by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed upto the balance sheet date bear to the estimated total contract costs. Where the outcome of the construction cannot be estimated reliably, revenue is recognised to the extent of the construction costs incurred if it is probable that they will be recoverable.

If total cost is estimated to exceed total contract revenue, the Company provides for foreseeable loss. Contract revenue earned in excess of billing has been reflected as unbilled revenue and billing in excess of contract revenue has been reflected as unearned revenue.

Operation and Maintenance Contracts:-

Revenue from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered.

Road repair and maintenance:

Revenue from road repair and maintenance work is recognised upon completion of services as per contractual terms.

Other income:

- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the effective rate of interest.
- Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

xi) **Retirement and other employee benefits**

a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits.Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Post Employment Employee Benefits

Retirement benefits to employees comprise payments to government provident funds, gratuity fund and Employees State Insurance.