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.

(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

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 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

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

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.

Defined contribution plans

The Company's contribution to defined contributions plans such as Provident Fund, Employee State Insurance and Maharashtra Labour Welfare Fund are recognised in the Statement of Profit and Loss in the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective Funds.

Defined benefit plans

Gratuity liability is defined benefit obligation. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary, using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance Sheet date. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Actuarial gains/losses are recognized in the other comprehensive income.

xii) **Income Taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes and Reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are revers.ed when the probability of future taxable profits improves Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of on temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised. The tax effect is calculated on the accumulated timing differences at the year-end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

Minimum alternate tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

xiii) Earnings Per Share

a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners. of the Company
- by the weighted average number of equity shares outstanding during the financial year

b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

-the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

-the weighted average number of additional equity shares that would have been outstanding assuming the convers.ion of all dilutive potential equity shares.

xiv) Inventories

Construction materials, components, stores, spares and tools

They are valued at lower of cost and net realisable value. Cost is determined on first in first out basis and comprise all cost of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Work-in-progress and finished goods

They are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of overheads based on normal operating capacity. Cost is determined on weighted average basis. Net realisable value is the estimated contract price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to complete the contract.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Incase if any payment for inventory is deferred beyond normal credit terms then cost is determined by discounting the future cash flows at an interest rate determined with reference to market rates. The difference between the total cost and the deemed cost in such cases are recognised as interest expense over the period of financing under the effective interest method.

xv) **Recent Accounting Pronouncements**

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, Statement of Cash Flows and Ind AS 102, Share-Based Payment. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to Ind AS 7, Statement of Cash Flows and IFRS 2, Share-Based Payments, respectively. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation

between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company had evaluated the disclosure requirements of the amendment and the effect on the Standalone Financial Statements is not expected to be material.

Notes to Financial Statements as at 31st March, 2017

Note 3 - PROPERTY, PLANT AND EQUIPMENT - AS At 31st MARCH 2017

Property, Plant and Equipment - As At 31st March 2017

Particulars	Gross Block (At Cost)				Accumulated Depreciation				Net Block	
	As at April 01, 2016	Addition / Adjustments	Deductions / Adjustments	As at March 31, 2017	As at April 01, 2016	Deductions / Adjustments	Charge for the year	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Tangible Assets										
Office Equipment	22,90,561	3,29,850	(4,900)	26,15,511	16,23,486	(3,606)	4,32,358	20,52,238	5,63,272	6,67,075
Computer & Printer	9,36,216	11,900	-	9,48,116	7,83,972	-	81,598	8,65,569	82,547	1,52,244
Furniture & Fixture	12,41,488	52,145	-	12,93,633	6,03,463	-	1,89,744	7,93,207	5,00,426	6,38,025
Machinery & Tools	85,32,737	84,042	-	86,16,779	41,34,162	-	11,09,215	52,43,377	33,73,402	43,98,575
Vehicles	1,13,39,972	-	-	1,13,39,972	70,84,936	-	13,84,118	84,69,053	28,70,918	42,55,036
Toll Collection System	1,99,60,644	11,69,619	-	2,11,30,263	1,23,62,148	-	32,24,356	1,55,86,505	55,43,758	75,98,496
Total	**4,43,01,617**	**16,47,556**	**(4,900)**	**4,59,44,273**	**2,65,92,166**	**(3,606)**	**64,21,389**	**3,30,09,949**	**1,29,34,324**	**1,77,09,451**

Tangible and Intangible assets are subject to first charge to secured long-term borrowings from the lenders.

Property, Plant and Equipment - As At 31st March 2016

Particulars	Gross Block (At Cost)				Accumulated Depreciation				Net Block	
	As at April 01, 2015	Addition / Adjustments	Deductions / Adjustments	As at March 31, 2016	As at April 01, 2015	Deductions / Adjustments	Charge for the year	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Assets										
Office Equipment	20,43,368	4,17,783	(1,70,590)	22,90,561	12,68,670	(1,70,590)	5,25,406	16,23,486	6,67,075	7,74,698
Computer & Printer	7,83,538	1,52,678	-	9,36,216	6,42,663	-	1,41,309	7,83,972	1,52,244	1,40,875
Furniture & Fixture	11,22,338	1,19,150	-	12,41,488	3,71,519	-	2,31,943	6,03,463	6,38,025	7,50,819
Machinery & Tolls	81,84,202	2,49,045	99,490	85,32,737	25,19,129	1,57,718	14,57,315	41,34,162	43,98,575	56,65,073
Vehicles	1,12,82,172	57,800	-	1,13,39,972	50,32,501	-	20,52,435	70,84,936	42,55,036	62,49,671
Toll Collection System	1,99,60,644	-	-	1,99,60,644	80,59,652	-	43,02,497	1,23,62,148	75,98,496	1,19,00,992
Total	**4,33,76,261**	**9,96,456**	**(71,100)**	**4,43,01,617**	**1,78,94,134**	**(12,872)**	**87,10,904**	**2,65,92,166**	**1,77,09,451**	**2,54,82,127**

Property, Plant and Equipment - As At 1st April 2015

Particulars	Gross Block (At Cost)				Accumulated Depreciation				Net Block
	As at April 01, 2014	Addition / Adjustments	Deductions / Adjustments	As at March 31, 2015	As at April 01, 2014	Deductions / Adjustments	Charge for the year	As at March 31, 2015	As at March 31, 2015
Tangible Assets									
Office Equipment	20,43,368	-	-	20,43,368	-	-	-	-	7,74,698
Computer & Printer	7,83,538	-	-	7,83,538	-	-	-	-	1,40,875
Furniture & Fixture	11,22,338	-	-	11,22,338	-	-	-	-	7,50,819
Machinery & Tolls	81,84,202	-	-	81,84,202	-	-	-	-	56,65,073
Vehicles	1,12,82,172	-	-	1,12,82,172	-	-	-	-	62,49,671
Toll Collection System	1,99,60,644	-	-	1,99,60,644	-	-	-	-	1,19,00,992
Total	4,33,76,261	-	-	4,33,76,261	-	-	-	-	2,54,82,127

The company has availed the deemed cost exemption in relation to property, plant and equipment on the date of transition and hence carrying amount as per previous GAAP has been considered as deemed cost of the Property, Plant & Equipment.

Table showing information regarding gross block of assets and accumulated depreciation of Property, Plant and Equipments under Indian GAAP as on April 1, 2015

Particulars	Gross Block (At Cost) As at 1st April 2015	Accumulated Depreciation As at 1st April 2015	Net Block As at 1st April 2015
Tangible Assets			
Office Equipment	20,43,368	12,68,670	7,74,698
Computer & Printer	7,83,538	6,42,663	1,40,875
Furniture & Fixture	11,22,338	3,71,519	7,50,819
Machinery & Tolls	81,84,202	25,19,129	56,65,073
Vehicles	1,12,82,172	50,32,501	62,49,671
Toll Collection System	1,99,60,644	80,59,652	1,19,00,992
Total	4,33,76,261	1,78,94,134	2,54,82,127

Note 4 - Intangible Assets - as at 31st March 2017

Intangible Assets - as at 31st March 2017

Particulars	Gross Block (At Cost)				Accumulated Depreciation				Net Block	
	As at April 01, 2016	Addition / Adjustments	Deductions / Adjustments	As at March 31, 2017	As at April 01, 2016	Deductions / Adjustments	Charge for the year	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Intangible Assets:										
Toll Collection Rights	8,02,03,95,092	56,52,65,858	-	8,58,56,60,951	1,17,45,99,605	-	1,16,07,61,874	2,33,53,61,479	6,25,02,99,472	6,84,57,95,487
Total	**8,02,03,95,092**	**56,52,65,858**	**-**	**8,58,56,60,951**	**1,17,45,99,605**	**-**	**1,16,07,61,874**	**2,33,53,61,479**	**6,25,02,99,472**	**6,84,57,95,487**

Intangible Assets - as at 31st March 2016

Particulars	Gross Block (At Cost)				Accumulated Depreciation				Net Block	
	As at April 01, 2015	Addition / Adjustments	Deductions / Adjustments	As at March 31, 2016	As at April 01, 2015	Deductions / Adjustments	Charge for the year	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Intangible Assets:										
Toll Collection Rights	7,42,74,30,353	59,29,64,739	-	8,02,03,95,092	7,22,85,070	-	1,10,23,14,535	1,17,45,99,605	6,84,57,95,487	7,35,65,83,980
Intangible Assets under Development										
Toll Collection Rights	14,38,697	20,39,232	(34,77,929)	-						
Total	**7,42,88,69,050**	**59,50,03,971**	**(34,77,929)**	**8,02,03,95,092**	**7,22,85,070**	**-**	**1,10,23,14,535**	**1,17,45,99,605**	**6,84,57,95,487**	**7,35,65,83,980**

Intangible Assets - as at 31st March 2015

Particulars	Gross Block (At Cost)				Accumulated Depreciation				Net Block
	As at April 01, 2014	Addition / Adjustments	Deductions / Adjustments	As at March 31, 2015	As at April 01, 2014	Deductions / Adjustments	Charge for the year	As at March 31, 2015	As at March 31, 2015
Intangible Assets:									
Toll Collection Rights		7,42,74,30,353	-	7,42,74,30,353			7,22,85,070	7,22,85,070	7,35,51,45,283
Intangible Assets under Development									
Toll Collection Rights		14,38,697	-	14,38,697	-	-	-	-	14,38,697
Total	**-**	**7,42,88,69,050**	**-**	**7,42,88,69,050**	**-**	**-**	**7,22,85,070**	**7,22,85,070**	**7,35,65,83,980**

Note 5 Non-Current Financial Assets - Others

In ₹ (Rupees)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Details of Bank Deposits:			
Bank Deposits due to mature after 12 months of the reporting date included under Other Non-Current Financial Assets.	5,70,00,000	-	-
Interest Accrued on Fixed Deposits	5,271	-	-
Security Deposits			
(Unsecured, considered good)	43,950	40,450	31,450
Grand Total	**5,70,49,221**	**40,450**	**31,450**

Note: Total Bank deposits of Rs. 5,70,00,000.00 as on 31st March 2017 comprises of Deposits having maturities of more than 12 month. These deposits are provided as a lien for maintenance of Debt Service Reserve Account.

Note 6 Deferred Tax Assets

In ₹ (Rupees)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Deferred Tax Assets			
Excess of depreciation on fixed assets provided in accounts over depreciation / amortisation under income tax law	22,03,889	22,03,889	21,19,189
Grand Total	**22,03,889**	**22,03,889**	**21,19,189**

i) Movement of Deferred Tax Assets:

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
Opening balance of deferred tax asset	22,03,889	21,19,189	-
Charged / Credited to profit or loss	-	84,700	21,19,189
Closing balance of deferred tax asset	22,03,889	22,03,889	21,19,189

No further Defferred Tax assets have been recognised in the FY 2016-17 since the company is under tax holiday period and the same is expected to be reversed in the tax holiday period itself.

Note 7 **Current Financial Assets - Trade Receivables**

In ₹ (Rupees)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unsecured	-	-	-
- Considered Good	93,40,658	13,910	-
Grand Total	**93,40,658**	**13,910**	**-**

The carrying amounts of trade receivables as at the reporting date approximate fair value. Trade receivables are predominantly non-interest bearing. Trade receivables are shown net of an allowance for bad or doubtful debts.

Note No. 26 for information about credit risk of trade receivables.

Note 8 **Current Financial Assets - Cash and Cash Equivalents**

In ₹ (Rupees)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Cash on hand	1,06,64,602	1,35,30,474	81,60,833
Balances With Bank:			
(a) In Current Accounts	8,77,45,076	52,24,029	1,42,06,232
(b) In Fixed Deposits - Original Maturity of 3 Months or Less	1,37,306	10,95,27,291	7,07,18,002
Grand Total	**9,85,46,984**	**12,82,81,793**	**9,30,85,067**

Bank balances and term deposits with banks by the company on a short-term basis with original maturity of three months or less. The carrying amount of cash equivalents as at reporting date at fair value.

Note 9 **Current Financial Assets - Loans**

In ₹ (Rupees)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(Unsecured, considered good)			
(a) Loans and Advances to Related Parties			
-San Finance Corporation	-	-	1,95,89,833
- Inter Corporate Deposit - SMSL	40,45,00,000		
(b) Advance to Employees	66,85,000	2,54,192	2,64,505
(c) Mobilization Advance	-	-	52,714
Grand Total	**41,11,85,000**	**2,54,192**	**1,99,07,052**

Note 10 **Current Financial Assets - Others**

In ₹ (Rupees)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Vat Refund Receivable - WCT	42,65,593	8,97,252	8,97,252
Accrued Interest on FDR	-	1,81,742	1,25,794
Insurance Claim Receivable	-	1,47,600	-
Grand Total	**42,65,593**	**12,26,594**	**10,23,046**

Note 11 Other Current Assets

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Current Tax Assets:			
Advance Income tax	8,89,96,268	3,81,01,145	1,89,13,684
Less: Provision for Taxation	(3,06,29,726)	(3,63,29,755)	(17,77,255)
Total	**5,83,66,542**	**17,71,390**	**1,71,36,429**
Other:			
Loans and Advances to Related Parties:			
- Capital Advances to SMSL	11,26,91,204	24,67,68,448	-
Prepaid Expenses	3,53,018	1,43,948	-
Prepaid Insurance	1,85,068	1,88,977	1,33,649
Advance for Goods and Services	-	4,65,000	27,731
Prepaid BG Commission	38,34,959	61,33,817	1,03,85,668
Preliminary Expenses (to be written off)	-	-	-
Grand Total	**17,54,30,791**	**25,54,71,580**	**2,76,83,477**

Note 12 Equity Share Capital

In ₹ (Rupees)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Authorized Capital : 1,60,00,000 (March 31, 2016: 10000:: April 01 2015: 10000) Equity Shares of the par value of Rs. 10 each	16,00,00,000	1,00,000	1,00,000
(b) Issued : 1,60,00,000 (March 31, 2016: 10000:: April 01 2015: 10000) Equity Shares of the par value of Rs. 10 each	16,00,00,000	1,00,000	1,00,000
(C) Subscribed and Paid Up Capital : 1,60,00,000 (March 31, 2016: 10000:: April 01 2015: 10000) Equity Shares of the par value of Rs. 10 each	16,00,00,000	1,00,000	1,00,000
Total	**16,00,00,000**	**1,00,000**	**1,00,000**

(d) Reconciliation of number of shares Outstanding at the beginning and end of the year:

Particulars	31st March 2017 No. of Shares	31st March 2016 No. of Shares	1st April 2015 No. of Shares
Equity shares			
Opening Balance	10,000	10,000	10,000
Add :- Issued during the year	1,59,90,000	-	
Shares outstanding, end of the year	1,60,00,000	10,000	10,000

Particulars	31st March 2017 Amount	31st March 2016 Amount	1st April 2015 Amount
Equity shares			
Opening Balance	1,00,000	1,00,000	1,00,000
Add :- Issued during the year	15,99,00,000	-	-
Shares outstanding, end of the year	**16,00,00,000**	**1,00,000**	**1,00,000**

Pursuant to the approval of the shareholders during the meeting held on 26th November ,2016 issue of Bonus shares to the existing shareholders heen been approved.

(e) Details of shareholders holding more than 5% of the aggregate shares in the company:

Particulars	31st March 2017	31st March 2016	1st April 2015
	No. of Shares	No. of Shares	No. of Shares
Equity shares of Rs. 10 each fully paid up held by:			
SMS Ltd. (Holding Company)	1,59,98,400	9,999	9,999
Total	1,59,98,400	9,999	9,999.00

Particulars	31st March 2017	31st March 2016	1st April 2015
	(%)	(%)	(%)
Equity shares of Rs. 10 each fully paid up held by:			
SMS Ltd. (Holding Company)	99.99%	99.99%	99.99%
Total	99.99%	99.99%	99.99%

(f) Terms, Rights, Preferences and Restrictions to the Equity Shares:

The Company has issued only one class of equity share having a par value of Rs. 10/- per share. Each shareholder is entitled to one vote per share. Each share is entitled to equal dividend declared by the Company and approved by the shareholders of the Company.
In the event of liquidation, each share carry equal rights and will be entitled to receive equal amount per share out of the remaining amount available after making prefential payments.

Pusuant to Concession Agreement dated 05.03.2013 entered into between the company and National Highway Authority of India, the aggregate equity shareholding of SMSIL (Bidder) together with its associates, in the issued and paid up equity of the concessionaire shall not decline below 51% during the concession period (Clause 5.3 of the Agreement)

100% shares of the company are pledged with the State Bank of India against the Term Loan taken. Details of loan are mentioned under notes to the Borrowings.

Note 13 Other Equity

Retained Earnings

In ₹ (Rupees)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Retained Earnings:			
At the commencement of the year	10,60,92,017	5,92,18,637	3,47,22,852
Add: Profit during the Year	5,41,44,576	4,68,73,380	-
Add: Over Lay Provision Reversed	-	-	9,50,00,000
Less: Amortisation F.Y. 2014-15	-	-	(6,46,66,787)
Less: Unwinding Interest	-	-	
Less: Preliminary Expenses	-	-	(58,37,429)
Less: Bonus Shares Issued During the year	(15,99,00,000)	-	-
Other Comprehensive Income	-	-	-
Closing Balance	3,36,593	10,60,92,017	5,92,18,637
Grand Total	**3,36,593**	**10,60,92,017**	**5,92,18,637**

Note 14 Non-Current Financial Liability - Borrowings

In ₹ (Rupees)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Secured Loans			
Term Loans			
- from Banks			
State Bank Of India	53,39,14,704	-	-
Vehicle Loans		-	-
- from Banks	1,63,270		
Total	**53,40,77,974**	**7,63,971**	**46,03,671**
Less:- Current Maturity of the Long Term Borrowings	**(14,41,63,270)**	**(6,00,701)**	**(38,39,700)**
	38,99,14,704	**1,63,270**	**7,63,971**
Less: Unamortised transaction cost.	**(34,52,316)**	-	-
Total	**38,64,62,388**	**1,63,270**	**7,63,971**
Grand Total	**38,64,62,388**	**1,63,270**	**1,32,41,364**

Notes

a. Secured By :-

Secured against hypothecation of corresponding vehicles and equipments.

b. Terms of Repayment of Secured Term Loans from Banks, Financial Institutions & Others are given as under:

Banks, Financial Institutions & Others	Remaining Months of Repayment	Remaining Months of Repayment	Interest Rate
	2017	2016	
Vehicle Loan From ICICI Bank - (Camper)	-	8	11.49
Vehicle Loan From ICICI Bank - (Innova)	-	9	11.00
Vehicle Loan From ICICI Bank - (Tavera)	-	8	11.26
Vehicle Loan From ICICI Bank - (ZLX 1)	-	8	11.49
Vehicle Loan From ICICI Bank - (ZLX 2)	13	25	10.75
Equipment Finance from Indusind Bank Ltd. -(Crane)	-	7	6.85

c. Installments falling due in respect of the above loan upto 31st March, 2017 (previous year: 31st March 2016) have been grouped under "Current maturities of long-term borrowings".

I) Term Loans:

A) Term Loan includes loan from bank amounting to Rs. 53,39,14,704 which is secured by a first and exclusive charge as under:

a) Exclusive charge on all the Bank accounts of the company including the Escrow Account.

b) Exclusive charge and Mortgage over all the Company's Movable/Immovable properties and assets, both present and future.

c) Exclusive charge on all intangible assets of the company including but not limited to the goodwill, undertaking and uncalled capital of the Borrower.

d) Exclusive charge / assignment of all the revenues of the borrower from the project or otherwise.

e) Exclusive charge / assignment / security interest on the Company's all the rights, titles, benefits, claims/demands under the Concession Agreement, Project Documents, Contracts and all licenses, permits, approvals and consents in respect of the Project.

f) Exclusive charge by way of assignment of all the rights, titles, benefits, interests, demand and claims under insurance policies obtained/procured by the Company, and/or any of its contractors favoring the Company, present & future, in respect of the Project.

g) Assignment of EPC Contract & underlying contractor & liquidated danages, letter of credit, guarantee or performance bond that may be provided by any counterparty under any Project Agreement or contract in favour of the Borrower.

h) Pledge of 100% share of Ayodhya Gorakhpur SMS Toll Private Limited.

i) Personal Guarantee of Shri Anand Sancheti.

The term loan carries an interest rate calculated on MCLR-1Y plus spread of 1.85%. The term loan is repayable in 57 unequal monthly installments commencing from 30th November 2016.

Note 15 **Provisions** In ₹ (Rupees)

Particulars	As at 31st March, 2016	As at 31st March, 2016	As at 1st April 2015
Provision for Overlay Expenditure	28,37,10,292	67,98,00,216	62,94,44,644
Provision for Toll Rights	5,90,48,43,361	6,34,88,34,605	6,73,70,39,449
Gratuity payable	6,357.00	5,078.00	-
Grand Total	**6,18,85,60,010**	**7,02,86,39,899**	**7,36,64,84,094**

Movement in provision made for overlay expenditure is tabulated below:

Amount in Rupees

Particulars	As at 31st March, 2016	As at 31st March, 2016	As at 1st April 2015
Opening balance	67,98,00,216	62,94,44,644	58,28,19,115
Add: Unwinding of Interest	5,43,84,017	5,03,55,572	4,66,25,529
Less: Utilisation / Settled during the year	45,04,73,941	-	-
Closing Balance	**28,37,10,292**	**67,98,00,216**	**62,94,44,644**

The above provisions are based on current best estimation of expenses that may be required to fulfill the resurfacing obligation as per the service agreement with regulatory authorities. It is expected that significant portion of the costs will be incurred over the period. The actual expenses incurred may vary from the above. No reimbursemens are expected from any sources against the above obligation.

Note 16 Current Financial Liability - Trade Payables

In ₹ (Rupees)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Micro, Small and Medium Enterprise #		-	-
Others	10,21,83,215	8,67,35,444	7,68,62,612
Grand Total	**10,21,83,215**	**8,67,35,444**	**7,68,62,612**

Trade Payables are non-interest bearing and are normally settled on 90 day terms.
For explanations on the Company's credit risk management processess, refer to Note. 26 .

There are no amounts due to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006; this information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose. This has been relied upon by the auditors and accordingly no additional disclosures have been made.

Note 17 Current Financial Liability - Other Financial Liabilities

In ₹ (Rupees)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Other Payables			
Retention From Contractor	-	-	26,46,009
Current Maturities of Long Term Borrowings	14,41,63,270	6,00,701	38,39,700
Security Deposit for Sale of Smart Card	1,32,600	1,08,600	-
Salary & Wages Payable	31,31,332	52,69,527	25,02,121
Gratuity Payable	33,75,132	12,73,288	-
Labour Payment Payable	3,06,456	1,47,932	-
Telephone and Internet Expenses Payable	-	38,883	456
Power and light Payable	1,98,494	1,52,043	1,14,225
Lodging & Rent Payable	-	70,200	-
	15,13,07,284	**76,61,174**	**91,02,511**

Note 18 Current Financial Liability - Provisions

In ₹ (Rupees)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Workers Cess Payable	33,185	21,385	31,828
Provident Fund Payable	2,38,657	2,30,621	1,59,810
TDS Payable	22,33,411	13,41,093	2,99,018
WCT Payable	1,90,35,451	50,126	1,55,419
AMC Charges Payable	6,01,595	-	-
Site Allowance for Staff Payable	25,000	-	-
Interest Payable on WCT	2,17,834	-	-
Interest Payable on TDS/TCS	10,965	-	-
Other Payables	-	-	2,60,096
Grand Total	**2,23,96,097**	**16,43,225**	**9,06,171**

Note 19 Current Financial Liability - Other Current Liabilities

Mobilisation Advance From (NHAI)	1,00,10,345	1,99,62,318	-
Grand Total	**1,00,10,345**	**1,99,62,318**	**-**

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Notes to and forming part of Financial Statements for the period ended 31st March 2017

Note 20 Revenue from Operations

In ₹ (Rupees)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Sale of Services		
- Toll Collection	1,38,33,29,495	1,29,45,95,865
- Construction Revenue	8,62,77,908	-
Grand Total	**1,46,96,07,403**	**1,29,45,95,865**

Note 21 Other Income

In ₹ (Rupees)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
- Interest Income	32,61,103	23,90,823
- Miscellaneous Income	1,02,268	3,94,778
Grand Total	**33,63,371**	**27,85,601**

Note 22 Operating & Maintenance Expenses

In ₹ (Rupees)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Change of Scope	7,95,69,122	-
Labour Cess	8,42,085	-
Overlay Expenses	-	-
Project Facility Maintenances	82,75,661	68,90,000
Site Civil Work	1,76,63,207	79,70,787
Machine Hire Charges	7,84,135	7,40,871
Toll Expenses	11,74,201	8,79,705
Safety & Security Expenses	46,47,292	50,087
Repairs and Maintainance Expenses (Toll Collection System)	52,07,751	11,56,223
Grand Total	**11,81,63,454**	**1,76,87,673**

Note 23 Employee Benefit Expenses

In ₹ (Rupees)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Salary and Wages	5,25,37,072	4,63,76,905
Medical Expenses	7,00,978	3,28,617
Contribution to PF and ESIC	30,89,917	24,67,997
Staff Welfare Expenses	18,85,572	8,29,559
Gratuity Expenses	58,23,398	13,86,543
Grand Total	**6,40,36,937**	**5,13,89,621**

Note 24 Finance Costs

In ₹ (Rupees)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Interest Expense	1,26,40,341	4,99,389
Bank Charges	6,42,938	12,86,973
Bank Guarantee Commission	66,46,108	42,51,851
Grand Total	**1,99,29,386**	**60,38,213**

Note 25 Other Expenses

In ₹ (Rupees)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Running and Maintenance		
- Vehicle	66,24,694	44,06,727
- Generator	37,05,160	37,35,227
Repair and Maintenances - Others	29,86,255	10,30,656
Insurance Expenses	4,85,568	3,91,393
Rent Rates and Taxes	41,55,095	13,60,774
Business Promotion Expenses	10,20,164	33,54,768
Power and Light	26,28,617	14,53,742
Lodging and Fooding Expenses	13,41,494	12,98,753
Office Expenses	9,06,592	3,54,960
Transportation	10,222	2,12,984
Misclleneous Expenses	2,06,382	2,59,148
Consultancy Charges	1,04,78,516	91,44,250
Postage and Courier	4,980	6,803
Printing & Stationery	8,68,083	7,34,052
Audit fees	1,55,133	1,44,055
Telephone, Fax and Internet Expenses	19,06,193	16,14,478
Asset write off	1,295	-
Travelling and Conveyance	3,80,533	3,96,570
Grand Total	**3,78,64,975**	**2,98,99,340**

26 **Financial Risk Management**

The Company has exposure to the following risks arising from financial instruments:
Credit risk ;
Liquidity risk

i. **Risk management framework**

The Company's board of directors is primarily responsible to develop and monitor Company's Risk Management framework. The Company has a risk management policy in place.The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limitsand controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims tomaintain a disciplined and constructive control environment in whichall employees understand their roles and obligations

ii. **Credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligationsCredit risk on its receivables is recognised on the statement of financial position at the carrying amount of those receivable assets, net of any provisions for doubtful debts. Receivable balances and deposit balances are monitored on a monthly basis with the result that the company's exposure to bad debts is not considered to be material,with an appropriate credit history.

The Company does not have any credit risk outside India.

Cash equivalents & Other bank balances/deposits

The Company held cash equivalents and other bank balances/deposits of INR 985.46 lakhs at March 31, 2017 (March 31, 2016: INR 1,282.81 lakhs, April 1, 2015 : INR 930.85 lakhs). The cash equivalents and other bank balances/deposits are held with bank counterparties with good credit ratings.

iii. **Liquidity risk**

Liquidity risk is defined as the risk that the group will not be able to settle or meet its obligations on time, or at a reasonable price. The group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the group's net liquidity position through rolling forecasts on the basis of expected cash flows.

iv **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. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

v **Capital Management**

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves . The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

27 **Contingent liabilities and capital commitment**

a) Contingent liabilities:- NIL

28 **Payment to the auditors**

	Year ended 31st March, 2017 in ₹	Year ended 31st March, 2016 in ₹	Year ended 31st March, 2015 in ₹
As auditors - Statutory audit	46,078	35,000	1,18,546
Tax audit	25,000	25,000	-
Management Consultancy	40,000	40,000	
For other services	44,055	44,055	-
Reimbursement of expenses		-	-
	1,55,133	1,44,055	1,18,546

29 There are no amounts due to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006; this information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose. This has been relied upon by the auditors.

30 **Segment Information**

Primary business segments

The Group has organized its operations into two business segments: Toll Collection and Construction

Toll Collection:

Collection of toll as per the contracts entered with various Government authorities and providing road, repair and maintenance of flyovers, roads and allied structures to its subsidiaries.

Construction:

Construction of roads as per the Engineering, Procurement and Construction (EPC) Contracts entered into for execution.

The following tables present revenue and profit information regarding the business segments for the year ended March 31, 2017 and certain asset and liability information regarding industry segments as at March 31, 2017

A. Information about reportable segments

Particulars	Toll Collection	Construction	Total Segments
Revenue			
External Customers	1,38,33,29,495	8,62,77,908	1,46,96,07,403
Inter-segment	-	-	-
Total Revenue	1,38,33,29,495	8,62,77,908	1,46,96,07,403
Segment profit / (loss) before exceptional items and tax	11,43,57,048	58,66,701	12,02,23,749
Identifiable operating expenses	10,17,89,184	8,04,11,207	18,22,00,391
Allocated expenses	-	-	-
Depreciation and amortization	1,16,71,83,263	-	1,16,71,83,263
Segment assets	7,01,19,15,274	93,40,658	7,02,12,55,932
Segment liabilities	6,84,44,24,143	1,64,95,195	6,86,09,19,339
Capital expenditure	-	-	-

B. Reconciliation of information on reportable segments to Ind AS

Particulars	Note	As at March 31, 2017
Total profit before exceptional items and tax for reportable segments		12,02,23,749
Unallocated amounts:		
– Other Expenses		(5,77,94,362)
– Other Income		33,63,371
Total profit before exceptional items and tax from operations		6,57,92,758

For the Year ended on 31st March 2016

The company has only one reportable segment which is Toll collection and only one reportable geographical segment.

31 **Related Party Disclosure**

A) Names of related parties where control exists

Holding Company:
SMS Limited (Formerly SMS Infrastructure Ltd)
Associate Concern
SMS Parking Solution Private Limited

Enterprise having Significant Influence:
San Finance Corporation

Key management personnel:
Mr. Vijay Kisanlal Sancheti, Whole Time Director
Mr. Dattatraya Laxmanrao Kinage, Whole Time Director

Disclosures of material transactions with related parties and balances

Name of the related party	Nature of transactions	Volume of Transactions during the year in Rs.	Outstanding Receivable in ₹
SMS Limited	Reimbursement of expenses	50,141	-
(Formerly SMS Infrastructure Limited)		(62,345)	(-)
	Construction Contract	7,92,12,132	-
	(Change Of Scope)	(-)	(-)
	Overlay Expenses	45,00,44,458	-
		(-)	(-)
	Payment of BG commission	43,47,250	-
		(1,06,18,270)	(-)
	Legal Expenses	3,59,884	-
		(-)	(-)
	Consultancy Charges	20,70,000	(-)
		(20,61,000)	(-)
	Unsecured Loan accepted	-	-
		(2,71,00,000)	(-)
	Unsecured Loan Repaid	-	-
		(2,71,00,000)	(-)
	Inter Coporate deposit	40,45,00,000	40,45,00,000
		(-)	(-)
	Mobilisation advances*	11,26,91,204	11,26,91,204
		(24,67,68,448)	(24,67,68,448)
SMS Parking Solution Private Limited	Rent & Repair maintenance	11,41,605	-
		(-)	(-)
	Legal Expenses	2,00,000	-
		(-)	(-)
San Finance Corporation	Loans and Advances given	-	-
		(4,45,00,000)	(-)
Mr. Vijay Kisanlal Sancheti,	Salary	15,23,580	-
Whole Time Director		(7,16,790)	(-)
Ex gratia Payment	Ex gratia Payment	37,20,275	-
		(-)	(-)
Mr. Dattatraya Laxmanrao Kinage,	Salary	19,93,848	-
Whole Time Director		(9,36,924)	(-)
Other Advances for expenses			
Mr. Vijay Kisanlal Sancheti,	Advances	40,00,000	40,00,000
Whole Time Director		(-)	(-)
Mr. Dattatraya Laxmanrao Kinage,	Advances	23,00,000	23,00,000
Whole Time Director		(-)	(-)

Footnotes:

(i) Figures in brackets are the corresponding figures in respect of the previous year.

(ii) #Mobilization Advance is in respect of Overlay expenses and Change of scope Work.

32 Basic earnings per share have been calculated by dividing profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has not issued any potential equity shares and accordingly, the basic earnings per share and diluted earnings per share are the same. Values used in calculating earnings per share are as under:

	Year ended 31st March, 2017	Year ended 31st March, 2016
(a) Numerator: Profit after tax (in ₹)	5,41,44,576	4,68,73,380
(b) Denominator: Weighted average number of equity shares	1,60,00,000	1,60,00,000
(c) Basic, as well as diluted, earnings per equity share (in ₹)	3.38	2.93

33 Capital Commitments

Particular	Year ended 31st March, 2017	Year ended 31st March, 2016
Estimated amount of contracts remaining to be executed on capital account(Overlay) (net of advances)	19,41,79,753	51,01,46,967

34 Employee Benefits

Defined Contribution Plan

The Company makes provident fund, Employees State Insurance and Maharashtra Labour Welfare Fund contributions for eligible employees Under the schemes, the Company is required to contribute a specified percentage / fixed amount of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the respective fund set up by the government authority

The Company has recognised the following amounts in the Statement of Profit and Loss for the year *

Particular	Year ended 31st March, 2017	Year ended 31st March, 2016
Employer's contribution to Provident Fund	27,78,833	22,14,689
Employer's contribution to Employee state Insurance Corporation	3,11,084	2,53,308
Total	30,89,917	24,67,997

35 Details of Specified Bank Notes (SBN) in terms of (Notification No. GSR. 308(e) dated 30th March, 2017. Ministry of corporate affairs, necessary disclosed on details of Specified Bank Notes and other denomination notes held and transacted during the period from 08th November, 2016 to 30th December, 2016 are provided in the table below:

Particulars	Specified Bank Notes (SBN)	Other denomination notes	Total
Closing cash in hand as on 08th November, 2016	17,25,500	86,69,469	1,03,94,969
(+) Permitted receipts	-	12,16,19,412	12,16,19,412
(-) Permitted payments	-	26,88,509	26,88,509
(-) Amount deposited in Banks	17,25,500	11,87,34,460	12,04,59,960
Closing cash in hand as on 30th December, 2016	-	88,65,912	88,65,912

36 General:

A. The figures have been rounded off to the nearest rupee.

B. Any other accounting policy not specifically referred to are consistent with Indian GAAP.

C. Previous year figures are regrouped / reclassified wherever necessary.

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 THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2017

FIRST TIME ADOPTION OF IND AS

For all periods up to and including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). This note explains the principal adjustments made by the Company in restating its financial statements prepared under Previous GAAP for the following-

a) Balance Sheet as at 1st April, 2015 (Transition date);

b) Balance Sheet as at 31st March, 2016;

c) Statement of Profit and Loss for the year ended 31st March, 2016; and

d) Statement of Cash flows for the year ended 31st March, 2016.

A EXEMPTION AVAILED

1 Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all the property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 "Intangible Assets" and investment property covered by Ind AS 40 " Investment Properties"

Accordingly, the group has elected to measure all of its property, plant and equipment,intagible assets and investment property at their previous GAAP carrying value.

2 **Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition of Ind AS.

RECONCILIATION BETWEEN PREVIOUS GAAP AND IND AS

Ind AS 101 requires an entity to reconcile equity, total comphrensive income and cash flows for prior periods. The following table represent the reconciliation from previous GAAP to Ind AS.

Effect of Ind AS adoption on the Balance Sheet as at 1st April, 2015	Notes to first time adoption	Previous GAAP	Effect of Transition to Ind AS	IND AS
		₹	₹	₹
Assets				
Non-current assets				
Property, plant and equipment		2,54,82,127	-	2,54,82,127
Capital work in progress		-		-
Other Intangible assets	1	5,33,27,976	7,30,18,17,307	7,35,51,45,283
Intangible assets under development		14,38,697	-	14,38,697
Financial assets				-
Investments		-	-	-
Loans		31,450	-	31,450
Deferred tax assets (net)		21,19,189	-	21,19,189
Other Non-current assets		-	-	-
Total Non-current assets		8,23,99,439	7,30,18,17,307	7,38,42,16,746
Current assets				
Financial assets				-
Loans		3,88,48,467	(1,89,41,415)	1,99,07,052
Trade receivables		-		-
Cash and cash equivalent		9,30,85,067	-	9,30,85,067
Other financial Assets		1,73,79,792	(1,63,56,746)	10,23,046
Other Current Assets		-	2,76,83,477	2,76,83,477
Total current assets		14,93,13,326	(76,14,684)	14,16,98,642
Total assets		23,17,12,765	7,29,42,02,624	7,52,59,15,388
Equity and liabilities				
Equity				
Equity Share Capital		1,00,000	-	1,00,000
Other Equity	3	3,47,22,852	2,44,95,785	5,92,18,637
Total equity		3,48,22,852	2,44,95,785	5,93,18,637
Non-current liabilities				
Financial Liabilities				
Borrowings		1,32,41,364	(1,24,77,393)	7,63,971
Provisions	1	9,50,00,000	7,27,14,84,094	7,36,64,84,094
Deferred tax liabilities (net)		-	-	-
Other Non -Current liabilities		-	-	-
Total Non-current liabilities		10,82,41,364	7,25,90,06,701	7,36,72,48,065
Current liabilities				
Financial Liabilities				
Borrowings		-	1,24,77,393	1,24,77,393
Trade payables		7,68,62,612	-	7,68,62,612
Other financial liabilities		64,85,709	26,16,802	91,02,511
Provisions		53,00,228	(43,94,057)	9,06,171
Non- financial liabilities		-	-	-
Total Current liabilities		8,86,48,549	1,07,00,138	9,93,48,687
Total liabilities		19,68,89,913		7,46,65,96,752
Total equity and liabilities		23,17,12,765	7,29,42,02,623	7,52,59,15,388

Effect of Ind AS adoption on the Balance Sheet as at 31st March,2016	Notes to first time adoption	Previous GAAP	Effect of Transition to Ind AS	IND AS
		₹	₹	₹
Assets				
Non-current assets				
Property, plant and equipment		1,77,09,451	-	1,77,09,451
Capital work in progress		-	-	-
Other Intangible assets	1	5,10,96,573	6,79,46,98,915	6,84,57,95,487
Intangible assets under development		-	-	-
Financial assets				-
Investments		-	-	-
Loans		40,450	-	40,450
Deferred tax assets (net)		22,03,889	-	22,03,889
Other Non-current assets		-		-
Total Non-current assets		7,10,50,363	6,79,46,98,915	6,86,57,49,277
Current assets				
Financial assets				-
Loans		28,55,88,785	(28,53,34,593)	2,54,192
Trade receivables		13,910	-	13,910
Cash and cash equivalent		12,82,81,793	-	12,82,81,793
Other financial Assets		76,93,336	(64,66,742)	12,26,594
Other Current Assets		-	25,54,71,580	25,54,71,580
Total current assets		42,15,77,824	(3,63,29,755)	38,52,48,069
Total assets		49,26,28,187	6,75,83,69,160	7,25,09,97,347
Equity and liabilities				
Equity				
Equity Share Capital		1,00,000	-	1,00,000
Other Equity		16,21,57,289	(5,60,65,272)	10,60,92,017
Total equity		16,22,57,289	(5,60,65,272)	10,61,92,017
Non-current liabilities				
Financial Liabilities				
Borrowings		1,63,868	(598)	1,63,270
Other financial liabilities		-		-
Provisions	1	17,91,49,000	6,84,94,90,899	7,02,86,39,899
Net employee defined benefit liabilities		-		-
Deferred tax liabilities (net)		-	-	-
Other liabilities		-		-
		17,93,12,868	6,84,94,90,301	7,02,88,03,169
Current liabilities				
Financial Liabilities				
Borrowings		-		-
Trade payables		8,67,35,444	-	8,67,35,444
Other financial liabilities		2,06,71,021	(1,30,09,847)	76,61,174
Provisions & Statutory Liabilities		4,36,51,565	(4,20,08,340)	16,43,225
Non- Financial liabilities		-	1,99,62,318	1,99,62,318
		15,10,58,030	(3,50,55,869)	11,60,02,161
Total liabilities		33,03,70,898	-	7,14,48,05,330
Total equity and liabilities		49,26,28,187	6,75,83,69,160	7,25,09,97,347

Reconcilation of of Profit and Loss for the period ended 31st March 2016

Effect of Ind AS adoption on the Balance Sheet as at 31st March,2016	Notes to first time adoption	Previous GAAP	Effect of Transition to Ind AS	IND AS
		₹	₹	₹
Revenue from Operations		1,29,45,95,865	-	1,29,45,95,865
Other Income		27,85,601	-	27,85,601
		-	-	-
Total Income		1,29,73,81,466	-	1,29,73,81,466
Concession Fees to NHAI		92,71,68,000	(92,71,68,000.00)	-
Operating Expenses		10,18,36,673	(8,41,49,000.00)	1,76,87,673
Employee Benefit Expenses		5,13,89,621	-	5,13,89,621
Depreciation and Amortization Expenses	1,3	1,45,88,319	1,09,64,37,120	1,11,10,25,439
Finance Costs		60,38,213	-	60,38,213
Other Expenses	2	3,57,36,768	(58,37,428.40)	2,98,99,340
Total Expenses		1,13,67,57,594	7,92,82,692	1,21,60,40,286
Profit before Exceptional and Extraordinary Items and Tax (III-IV)		16,06,23,872		8,13,41,180
Profit Before Tax				
Tax Expense				
(1) Current Tax		3,45,52,500	-	3,45,52,500
(2) Adjustment of tax relating to earlier periods		-	-	-
(2) Deferred Tax		(84,700.00)	-	(84,700.00)
Total tax expense		3,44,67,800	7,92,82,692	3,44,67,800
Profit From Continuing Operations (V-VI)		12,61,56,072	7,92,82,692	4,68,73,380
		12,61,56,072	7,92,82,692	4,68,73,380
Profit /(loss) for the year		12,61,56,072	7,92,82,692	4,68,73,380
		-	-	-
Total comprehensive income		-	-	-
Total comprehensive income for the year (VII - VIII)		12,61,56,072	7,92,82,692	4,68,73,380

Notes to first time adoption

Footnotes

1 Pursuant to the adoption of Ind AS, effective from 1 April 2015, all toll collection rights acquired have been accounted as "intangible assets" as required under Ind AS 38 and are amortized over the period of the respective contracts. In addition, corresponding liability which is payable to authority against acquisition of toll collection right is recognised as payables. The payment under these contracts, hitherto were recognised as operating and maintenance expenditure.

2 Under previous GAAP, preliminery & pre operative expenses are debited in profit & loss A/c but as per Ind AS it is adjusted through reserve & surplus

3 Service concession arrangement

Under Indian GAAP, the cost of an intangible asset comprises of the construction cost of the project and all other directly attributable cost incurred necessarily to complete the asset and to bring it to the condition in which management is intended to use the same.

Overlay Expenditure 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 .Such intangible rights , 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

4 On transition to Ind AS, certain adjustments have been made between current and non-current classifications.

Statement of cash flows:

The transition from Indian GAAP to Ind AS do not have a material impact on the statement of cash flows.