



GREWAL & SINGH

Chartered Accountants

A-17, L.G.F., Lajpat Nagar-III, New Delhi - 110 024
Tel. : 011-29842641, 29833394, 29839823
Fax : 011-29849331
E-mail : mail@cagrewalsingh.com

Independent Auditor's Report For the year ended 31st March 2016

To the Members of GF Toll Road Private Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of GF Toll Road Private Limited ("the Company") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

CHANDIGARH OFFICE :
699, Sector 43A, Chandigarh-160036
Tel.: 9888856791, 9810911164

JAMMU OFFICE :
41/3, Trikuta Nagar, Jammu-180012
Tel.: +91-9419794214

LUDHIANA OFFICE :
Preet Complex, 2nd Floor,
Near Nirankari Kucha No.-2, G.T. Road,
Millerganj, Ludhiana Tel.: 9999980496

YAMUNA NAGAR OFFICE :
S.C.O, 1/3, First Floor, Near District Library,
Civil Line, Jagadhri, Haryana - 135003
Tel.: 01732-242893, 9896044812

Independent auditors' report to the members of GF Toll Road Private Limited
For the year ended March 31, 2016

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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:

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2016;
- ii) In the case of the Statement of Profit & Loss, of the loss for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31 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:

Independent auditors' report to the members of GF Toll Road Private Limited
For the year ended March 31, 2016

- (i) The Company does not have any pending litigations which would impact its financial position.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Grewal & Singh
Chartered Accountants
Firm Registration No.: 012322N

Mohd Ayub Ansari
Partner
M. No. 500810

Place: Mumbai
Date: May 14th 2016

Independent auditors' report to the members of GF Toll Road Private Limited
For the year ended March 31, 2016

"Annexure A" referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: GF Toll Road Private Limited (the company)

1. (a) As per the information and explanations provided to us, the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The company has a regular system of verification of fixed assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Fixed assets were verified by the company and no discrepancy was noticed.

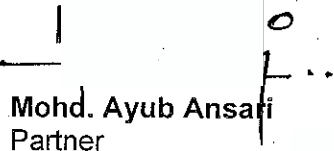
(c) The company does not have any immovable property; therefore, no comment is made on the title deed of immovable property.
2. The company does not carry inventory and hence no comment is made on its physical verification, procedure of physical verification and on the maintenance of records thereof.
3. As per the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, LLPs or other parties covered in the register maintained under section 189 of the Companies Act.
4. In our opinion and according to the information and explanations given to us in respect of loans, investments, guarantees and securities, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.
5. According to the information and explanations given to us, we are of opinion that the company has not accepted any deposit in pursuance of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder.
6. We have broadly reviewed the books and account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013 and is of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
7. (a) According to the information and explanations given to us and books and records as produced and examined by us are in accordance with generally accepted auditing practices in India and also based on management representation, the company is regular in depositing undisputed statutory dues including provident fund, income-tax, service tax and any other statutory dues with the appropriate authorities. Further, we report that no undisputed amount payable in respect to income tax, service tax and any other statutory dues were outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.

Independent auditors' report to the members of GF Toll Road Private Limited
For the year ended March 31, 2016

(b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, service tax and any other statutory dues which have not been deposited on account of any dispute. .

8. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to the financial institutions or banks. We further report that the company has no debenture holders during the year.
9. In our opinion and according to the information and explanations given to us, the money raised from the debt instrument and term loan have been utilised for the purpose for which they were raised.
10. According to the information and explanations given to us, no fraud by or on the company by its officers/employees has been noticed or reported during the course of our audit.
11. The company has not paid managerial remuneration during the year. Therefore, this clause is not applicable to the assessee.
12. In our opinion, the Company is not a chit fund or a nidhi company. Therefore, this clause is not applicable to the assessee.
13. The company transactions with the related parties are in compliance with section 188 and 177 of Companies Act, 2013 and the details have been disclosed in the financial statement as required by the accounting standard and Companies Act, 2013.
14. The company has not made any preferential allotment/private placement of shares or fully or partly convertible debentures during the year.
15. The company has not made any non-cash transaction with directors or persons connected with him.

For Grewal & Singh
Chartered Accountants
Firm Registration No.: 012322N


Mohd. Ayub Ansari
Partner
M. No. 500810

Place: Mumbai
Date: May 14th 2016

Independent auditors' report to the members of GF Toll Road Private Limited
For the year ended March 31, 2016

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 GF Toll Road Private Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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.

Independent auditors' report to the members of GF Toll Road Private Limited
For the year ended March 31, 2016

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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 Grewal & Singh
Chartered Accountants
FRN:012322N

Mohd. Ayub Ansari
Partner
M. No. 500810

Place: Mumbai
Date: May 14th 2016

GF TOLL ROAD PRIVATE LIMITED

**FINANCIAL STATEMENTS FOR
YEAR ENDED 31ST MARCH 2016**

GF Toll Road Private Limited
Balance Sheet as at 31st March 2016

	Note	As at March 31, 2016		As at March 31, 2015	
		₹		₹	
I. EQUITY AND LIABILITIES					
Shareholders' Funds					
Share capital	2.1	1,96,11,000		1,96,11,000	
Reserves and surplus	2.2	40,48,15,869	42,44,26,669	80,85,15,321	82,81,26,321
Non-current liabilities					
Long-term borrowings	2.3	5,87,92,99,999		5,93,06,99,999	
Other Long term liabilities	2.4	27,27,37,059		26,90,13,419	
Long-term provisions	2.5	8,23,213	6,15,28,60,271	5,72,282	6,20,02,85,680
Current liabilities					
Trade payables	2.6	5,83,92,615		4,19,20,434	
Other current liabilities	2.7	67,87,00,101		48,79,10,364	
Short-term provisions	2.8	35,899	73,71,28,615	24,811	52,98,55,609
Total			7,31,44,15,555		7,55,82,87,610
II. ASSETS					
Non-current assets					
Fixed Assets					
Tangible assets	2.9	80,90,227		80,15,386	
Intangible assets	2.10	7,25,10,20,108		7,47,38,53,975	
Intangible assets under development	2.11	1,12,81,026	7,27,03,91,361	-	7,48,18,69,361
Long-term loans and advances	2.12		3,12,620		3,12,620
Current Assets					
Cash and Cash Equivalents	2.13		1,63,72,481		2,16,47,136
Short-term loans and advances	2.14		2,73,39,093		5,44,38,493
Total			7,31,44,15,555		7,55,82,87,610

Significant Accounting Policies and Notes on Financial Statements 1 & 2

This is the Balance Sheet referred to in our report of even date.

For Grewal & Singh
Chartered Accountants
Firm's Regn. No. 012322N

Mohd. Ayub Ansari
Partner
Membership No. : 500810

Date: May 14, 2016
Place: Mumbai

Kaushik Pal
Director & CEO
DIN:05237230

Date: May 14, 2016
Place: Mumbai

Madan Blyani
Director & CFO
DIN:07130371

GF Toll Road Private Limited**Statement of Profit and Loss for the year ended 31st March 2016**

	Note	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
Revenue			
Revenue from operations	2.15	60,40,68,024	51,12,59,371
Other income	2.16	6,75,155	11,42,655
Total Revenue		60,47,43,179	51,24,02,026
Expenses			
Employee benefit expenses	2.17	97,98,923	69,50,617
Other expenses	2.18	17,71,20,586	13,82,84,673
Finance costs	2.19	59,06,25,345	63,77,35,472
Depreciation and amortisation expenses	2.9, 2.10	23,08,61,172	12,45,80,797
Total Expenses		1,00,84,06,026	90,75,51,559
Profit before Tax		(40,36,62,847)	(39,51,49,533)
Tax Expenses			
Income Tax for earlier years (net)		36,805	-
		36,805	-
Profit (Loss) after Tax		(40,36,99,652)	(39,51,49,533)
Earnings Per equity share (Face Value of ₹ 10 per share)			
Basic & Diluted		(205.85)	(201.49)

Significant Accounting Policies and Notes on Financial Statements **1 & 2**

This is the Statement of Profit and Loss referred to in our report of even date.

For Grewal & Singh
Chartered Accountants
Firm's Regn. No. 012322N

For and on behalf of the Board

Mohd. Ayub Ansari
Partner
Membership No. : 500810

Kaushtik Pal
Director & CEO
DIN:05237230

Madan Biyani
Director & CFO
DIN:07130371

Date: May 14, 2016
Place: Mumbai

Date: May 14, 2016
Place: Mumbai

GF Toll Road Private Limited

Cash Flow Statement for the year ended 31st March 2016

	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
A Cash Flow from/ (used in) Operating Activities		
Profit before Taxation	(40,36,62,847)	(39,51,49,533)
Adjustments for:		
Depreciation	23,08,61,172	12,45,80,797
Interest and Finance Charges	59,06,25,345	63,77,35,472
Interest Income	(14,566)	(1,52,978)
Dividend Income	(6,58,589)	(9,89,677)
Operating Profit before Working Capital Changes	41,71,50,515	36,60,24,081
Adjustments for:		
Trade and Other receivables	2,70,99,400	(1,12,54,658)
Trade and Other Payables	68,47,597	3,51,44,196
Income Taxes Paid (Net of refund)	45,10,97,512	38,99,13,619
	(36,805)	-
Net Cash Generated from/ (used in) Operating Activities	45,10,60,707	38,99,13,619
B Cash flow from Investing Activities		
Purchase/ Acquisition of fixed assets	(1,93,83,172)	(27,75,588)
Dividend Income	6 58 589	9 89 677
Interest Income	14 566	1 52 978
Net Cash used in Investing activities	(1,87,10,017)	(16,32,933)
C Cash flow from/ (used in) Financing Activities		
Proceeds from Long term borrowings	44,50,00,000	54 00 00 000
Repayment of Long Term borrowings	(29,20,00,000)	(29,20,00,000)
Interest and Finance Charges	(59,06,25,345)	(63,77,35,472)
Net cash generated from Financing Activities	(43,76,25,345)	(38,97,35,472)
Net (Decrease)/ Increase in Cash and Cash equivalents	[A+B+C] (52,74,655)	(14,54,786)
Cash and Cash equivalents as at the commencement of the year (Opening Balance)	2,16,47,136	2,31,01,923
Cash and Cash equivalents as at the end of the year (Closing Balance)	1,63,72,481	2,16,47,136
Net (Decrease)/ Increase in Cash and Cash equivalents	(52,74,655)	(14,54,786)

Previous year figures have been regrouped/ reclassified/ rearranged wherever necessary to make them comparable to those for the current year.

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

For Grewal & Singh
Chartered Accountants
Firm's Regn. No. 012322N

Mohd. Ayub Ansari
Partner
Membership No. : 500810

Date: May 14, 2016
Place: Mumbai

For and on behalf of the Board

Kaushtik Pal **Madan Biyani**
Director & CEO Director & CFO
DIN:05237230 DIN:07130371

Date: May 14, 2016
Place: Mumbai

INTRODUCTION:

The Company was awarded on Build, Operate and Transfer (BOT) basis, the upgrading of existing road covering 66.185 kms stretch from Km 00.000 - Km 24.310 (approximately 24.310 kms) of Gurgaon - Faridabad Road; from Km 00.000 - Km 6.10 (approximately 6.10 kms) of MCF Road; from Km 00.000 - Km 3.100 (approximately 3.10 kms) of Crusher Zone; from Km 00.000 - Km 28.575 (approximately 28.575 kms) of Ballabgarh - Lakhawas junction Road and from Km 00.000 - Km 4.100 (approximately 4.100 kms) of Pali - Bhakri Road in the State of Haryana and widening from two lanes to four lanes with paved shoulders and operation and maintenance thereof, under the Concession Agreement dated January 31, 2009 with Haryana P.W.D. (B&R), Branch. The Concession Agreement is for a period of 17 years from the appointed date as stated in the Concession Agreement.

1 Significant Accounting Policies:

1.1 Basis of Preparation of Financial Statements

The financial statements are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (the Act) and comply in material aspects with the Accounting Standards notified under Section 133 of the Act, (read with Rule 7 of the Companies (Accounts) Rules, 2014.

1.2 Financial Statements: Presentation and disclosures

The financial statements have been prepared as per the requirements of Schedule III notified under the Act. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

1.3 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon Management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

1.4 Fixed Assets

The gross block of Fixed Assets is stated at cost of acquisition or construction, including any cost attributable to bringing the assets to their working condition for their intended use.

Intangible assets are stated at acquisition cost less accumulated amortization.

1.5 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

1.6 Borrowing Costs:

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

1.7 Revenue Recognition

In respect of Toll Roads, toll revenue from operations of the facility is accounted on receipt basis.

Dividend on investment is recognized when the right to receive the payment is established.

Certain items of income such as overdue interest from customers etc. have been recognised to the extent the amount is ascertainable and is expected to be recovered.

1.8 Sales

Sales are stated at net of sales returns. Sales are exclusive of sales tax / value added tax. Insurance and other claims are recognised as revenue on certainty of receipt on prudent basis.

1.9 Depreciation and Amortisation

Depreciation on Tangible assets is provided on Straight Line Method (SLM) on the basis of their useful life or at the rates and in the manner specified in Schedule II to the Act.

Toll Collection Rights are amortised over the concession period on the basis of projected toll revenue which reflects the pattern in which the assets' economic benefits are consumed. The projected total toll revenue is based on the independent traffic volume projections. Amortisation is revised in case of any material change in the expected pattern of economic benefits. The same is in line with Schedule II to the Act.

Specialised software is amortised over a period of three years.

1.10 Employee Benefits

Contributions to defined contribution schemes such as provident fund, superannuation funds etc. are charged to Statement of Profit and Loss / Intangible Assets under Development, as applicable. The Company also provides for retirement benefits in the form of gratuity and leave encashment. The liability in respect of this defined benefit plans is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Such defined benefits are charged to Statement of Profit and Loss / Intangible Assets under Development, as applicable, based on actuarial valuations, as at the balance sheet date, made by independent actuaries. Actuarial gain and loss is recognised in the Statement of Profit and Loss / Intangible Assets under Development, as may be applicable.

1.11 Taxation

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future. However, in respect of unabsorbed depreciation or carry forward loss, the deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

1.12 Foreign Exchange Transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transactions. Gains and losses, if any, at the year-end in respect of monetary assets and monetary liabilities not covered by the forward contracts are recognized in the Statement of Profit and Loss.

Non-Monetary items denominated in foreign currency are stated at the rate prevailing on the date of the transaction.

1.13 Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If the carrying amount of fixed assets / cash generating unit exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

1.14 Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

1.15 Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is probable that an outflow of resources will not be required to settle the obligation. However, if the possibility of outflow of resources, arising out of present obligation, is remote, it is not even disclosed as contingent liability. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the notes to financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

1.16 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise of cash on hand and demand deposits with banks.

GF Toll Road Private Limited

Notes annexed to and forming part of financial statements for year ended 31st March 2016

Note 2.1 Share Capital

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Authorized		
Equity Shares of ₹ 10 each		
2,00,00,000 (2,00,00,000) equity shares of Rs 10/- each	20,00,00,000	20,00,00,000
	<u>20,00,00,000</u>	<u>20,00,00,000</u>
Issued, Subscribed and Paidup		
Equity Shares of ₹ 10 each		
19,61,100 (Previous year - 19,61,100) Equity Shares of Rs. 10/- each fully paid up	1,96,11,000	1,96,11,000
(All of the above shares are held by Reliance Infrastructure Ltd. - the holding company and its nominee)		
	<u>1,96,11,000</u>	<u>1,96,11,000</u>
Reconciliation of shares		
No. of shares at the beginning of the year	19,61,100	19,61,100
Add : No. of Shares Issued during the year	-	-
No. of Shares at the end of the year	<u>19,61,100</u>	<u>19,61,100</u>

Details of Shareholders holding more than 5% of shares :

Name of the shareholders	No. of Shares	%	No. of Shares	%
Reliance Infrastructure Limited	19,61,100	100%	19,61,100	100%

Note 2.2 Reserves and Surplus

Securities Premium Account		
Opening Balance	1,93,15,89,000	1,93,15,89,000
Addition during the year	-	-
Closing Balance	<u>1,93,15,89,000</u>	<u>1,93,15,89,000</u>
Surplus as per Statement of Profit & Loss		
Opening Balance	(1,12,30,73,679)	(72,79,24,146)
Net Profit/(loss) for the year	(40,36,99,652)	(39,51,49,533)
Closing Balance	<u>(1,52,67,73,331)</u>	<u>(1,12,30,73,679)</u>
	<u>40,48,15,669</u>	<u>80,85,15,321</u>

GF Toll Road Private Limited

Notes annexed to and forming part of financial statements for year ended 31st March 2016

	As at March 31, 2016		As at March 31, 2015	
	Non Current ₹	Current *	Non Current	Current *
Note 2.3 Long Term Borrowings				
Secured				
Term loans from Banks*	4,43,83,99,999	49,64,00,000	4,93,47,99,999	292000000
Unsecured				
Sub Ordinate Debts from Reliance Infrastructure Limited	1,44,09,00,000	-	89,59,00,000	-
	5,87,92,99,999	49,64,00,000	5,93,06,99,999	29,20,00,000

* Current Maturity of Long term debt disclosed under other current liabilities (refer Note 2.7)

*** Secured By :-**

Being a Consortium arrangement the said loans have been secured by :

- First mortgage and charge of all immovable properties, present and future, save and except the project Assets
- First charge by way of hypothecation of all movable assets, both present and future, save and except the project Assets.
- First charge on all intangible assets save and except Project assets.
- First Charge on receivables, book debts, cash and cash equivalents including any other bank accounts and other assets, present and future.
- First Charge on government approvals, insurance policies, uncalled capital, project documents, guarantees, letter of credit, performance warranties, indemnities and securities given to the Company.

Maturity Profile of Secured loans are as under:

Particulars	Rupee Loan from Banks
FY 2016-17	49,64,00,000
FY 2017-18	70,08,00,000
FY 2018-19	87,60,00,000
FY 2019-20	1,05,12,00,000
FY 2020-21	1,40,16,00,000
FY 2021-22	40,87,99,999
FY 2022-23 onwards	-
Total	4,93,47,99,999

GF Toll Road Private Limited

Notes annexed to and forming part of financial statements for year ended 31st March 2016

	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Note 2.4 Other Long Term Liabilities		
Retention Payable to creditors		
- Related Parties	26,14,99,998	26,14,99,998
- Others	1,12,37,061	75,13,421
	<u>27,27,37,059</u>	<u>26,90,13,419</u>
Note 2.5 Long Term Provisions		
Provision for employee benefit		
Leave Encashment	8,23,213	5,72,262
	<u>8,23,213</u>	<u>5,72,262</u>
Note 2.6 Trade Payables		
Trade Payables	5,83,92,615	4,19,20,434
	<u>5,83,92,615</u>	<u>4,19,20,434</u>
Note 2.7 Other current Liabilities		
Current maturities of long-term debts	49,64,00,000	29,20,00,000
Interest payable but not due	11,36,693	12,56,675
Creditors for Capital Expenditure	17,39,26,873	19,21,99,252
Other Current Liabilities	72,36,535	24,54,437
	<u>67,87,00,101</u>	<u>48,79,10,364</u>
Note 2.8 Short Term Provisions		
Provision for leave encashment	35,899	24,811
	<u>35,899</u>	<u>24,811</u>

GF Toll Road Private Limited

Notes annexed to and forming part of financial statements for year ended 31st March 2016

	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Note 2.12 Long Term Loans and Advances		
Capital advance	3,12,620	3,12,620
	<u>3,12,620</u>	<u>3,12,620</u>
Note 2.13 Cash and Bank Balances		
Cash and Cash Equivalents		
Balances with banks		
In Current Accounts	1,09,25,334	1,67,91,578
Cash on hand	54,47,147	48,55,559
	<u>1,63,72,481</u>	<u>2,16,47,136</u>
Note 2.14 Short Term Loans and Advances		
Advance Income Tax (Net of Provision)	27,998	1,87,236
Advance recoverable in cash or in kind or for value to be received	2,27,26,087	4,94,15,082
Security deposits	5,00,000	5,00,000
Prepaid Expenses	24,93,811	24,62,929
Advance to Employees	15,91,197	18,73,246
	<u>2,73,39,093</u>	<u>5,44,38,493</u>

GF Toll Road Private Limited

Notes annexed to and forming part of financial statements for year ended 31st March 2016

	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
Note 2.15 Revenue from Operations		
Sale of services - Toll Collection	60,40,68,024	50,70,78,696
Leasing of Advertisement Space	-	41,80,675
	60,40,68,024	51,12,59,371
Note 2.16 Other Income		
Dividend Income	6,58,589	9,89,677
Interest Income	14,566	1,52,978
Income Others	2,000	
	6,75,155	11,42,655
Note 2.17 Employee benefit expenses		
Salaries and Wages	92,07,597	63,77,203
Contribution to Provident Fund and Other Fund	3,80,206	2,37,267
Contribution to Gratuity Fund	2,11,120	3,36,147
	97,98,923	69,50,617
Note 2.18 Other Expenses		
Toll Operation & Maintenance Expenses	15,37,97,358	11,69,61,266
Electricity Expenses	53,63,892	45,72,465
Insurance	34,63,609	29,35,647
Travelling & Conveyance	21,74,413	27,06,899
Auditors' Remuneration		
- Audit Fees	5,13,000	4,50,000
- Certification Fees	68,400	1,25,900
- Out of Pocket Expenses	26,823	87,519
Rent, Rates & Taxes	3,100	480
Legal and Professional Charges	87,75,468	77,94,769
Telephone & Internet Expenses	10,60,406	14,07,176
Other Miscellaneous Expenses	18,74,117	12,42,552
	17,71,20,586	13,82,84,673
Note 2.19 Finance Costs		
Interest expense	59,05,66,388	63,76,78,454
Other finance charges	58,957	57,018
	59,06,25,345	63,77,35,472

GF Toll Road Private Limited

Notes annexed to and forming part of financial statements for year ended 31st March 2016

2.20 Employee Benefits:

Disclosure as required by Accounting Standard (AS) - 15 (Revised 2005) "Employee Benefits" issued by ICAI are given below:

(A) Defined Contribution Plans

- a) Provident Fund
- b) State defined contribution plans
 - Employers' Contribution to Employees' Deposit Linked Insurance
 - Employers' Contribution to Employees' Pension Scheme, 1995

The Provident Fund and the State defined contribution plan are operated by the Regional Provident Fund Commissioner Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

(B) Defined Benefit Plans

- a) Gratuity
- b) Leave Encashment

Gratuity is payable to employees who has rendered continuous services for more than 5 years at the rate of 15 days of service for each completed year of services or part thereof in excess of 6 months subject to maximum of Rs. 10 Lacs

Leave encashment is payable to eligible employees who have earned leaves during the employment and/ or on separation as per the Company's policy.

Valuations in respect of Gratuity and Leave Encashment have been carried out by an independent actuary, as at the Balance Sheet date, based on the following assumptions:

- a) The amounts recognised in Statement of Profit & Loss /Intangible Assets Under Development are as follows:

(i) Defined Benefit Plan	Leave Encashment		Gratuity	
	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Current service cost	1.81	1.17	1.36	0.82
Interest cost on benefit obligation	0.60	0.57	0.55	0.44
Expected return on plan assets			(0.50)	(0.46)
Net actuarial (gain) / loss recognised during the year	0.91	2.64	0.70	2.61
Effect of the limit in Para 59 (b)			-	(0.05)
Current service cost	3.32	4.38	2.11	3.36

(ii) Defined Contribution Plan	Provident Fund	
	Year Ended March 31, 2016	Year Ended March 31, 2015
	(Rs. in lacs)	(Rs. in lacs)
Current service cost	2.75	1.58

- b) The amounts recognised in the Balance Sheet are as follows:

	Leave Encashment		Gratuity	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Present value of obligation	8.59	5.97	8.39	5.79
Less: Fair value of plan assets	-	-	(8.54)	(6.12)
Amount not recognized as an Asset			-	
Net Asset/ (Liabilities) recognised in Balances Sheet	(8.59)	(5.97)	(0.15)	(0.33)

c) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:				
	Leave Encashment		Gratuity	
	As at 31st March, 2016 (Rs. in lacs)	As at 31st March, 2015 (Rs. in lacs)	As at 31st March, 2016 (Rs. in lacs)	As at 31st March, 2015 (Rs. in lacs)
Opening defined benefit obligation	5.97	5.35	5.78	4.22
Interest cost	0.60	0.57	0.56	0.44
Current service cost	1.81	1.17	1.36	0.82
Benefits paid	(0.70)	(3.76)	-	(2.29)
Liabilities assumed on Acquisition/(Settled on Divestiture)	-	-	-	-
Actuarial (gains)/loss on obligation	0.91	2.64	0.69	2.59
Closing defined benefit obligation	8.59	5.97	8.39	5.78
d) Changes in the fair value of plan assets are as follows:				
	Leave Encashment		Gratuity	
	As at 31st March, 2016 (Rs. in lacs)	As at 31st March, 2015 (Rs. in lacs)	As at 31st March, 2016 (Rs. in lacs)	As at 31st March, 2015 (Rs. in lacs)
Opening fair value of plan assets	-	-	6.13	5.88
Expected return	-	-	0.49	0.46
Contributions made by employer during the year	0.70	3.76	1.92	2.28
Benefits paid	(0.70)	(3.76)	-	(2.29)
Actuarial Gain/(Loss) on plan assets	-	-	-	(0.01)
Assets Acquired on Acquisition/(Distributed on Divestiture)	-	-	-	-
Closing fair value of plan assets	-	-	8.54	6.13
e) Expected contribution to defined benefit plan for the year 2016-17				
	Leave Encashment (Rs. in lacs)		Gratuity (Rs. in lacs)	
	0.36		Nil	
f) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:				
Particulars	Leave Encashment		Gratuity	
	As at 31st March, 2016 %	As at 31st March, 2015 %	As at 31st March, 2016 %	As at 31st March, 2015 %
Investments with insurer under: (a) Funds Managed by Insurer	Nil	Nil	100.00	100.00
g) The principal actuarial assumptions at the Balance Sheet date.				
	Leave Encashment		Gratuity	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Discount rate	7.80%	7.85%	7.80%	7.85%
Expected rate of return on plan assets	0.00%	0.00%	8.25%	8.25%
Mortality Rate	Published rates under the Indian Assured Lives Mortality (2006-08)	Published rates under the Indian Assured Lives Mortality (2006-08)	Published rates under the Indian Assured Lives Mortality (2006-08)	Published rates under the Indian Assured Lives Mortality (2006-08)
Proportion of employees opting for early retirement	4% per annum withdrawal rate at all ages in this valuation.	4% per annum withdrawal rate at all ages in this valuation.	4% per annum withdrawal rate at all ages in this valuation.	4% per annum withdrawal rate at all ages in this valuation.
Retirement Age	58 Yrs	58 Yrs	58 Yrs	58 Yrs
Salary Escalation Rate	7.50%	7.50%	7.50%	7.50%
The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.				

GF Toll Road Private Limited

Notes annexed to and forming part of financial statements for year ended 31st March 2016

2.21 Earning per Share

The company has adopted Accounting Standard-20 "Earning per Share" issued by The Institute of Chartered Accountant of India for calculation of EPS and the disclosure in this regard are given below:-

Particulars	₹	
	Year ended March 31, 2016	Year ended March 31st, 2015
Basic / Diluted Earning Per Share:		
Profit after taxation as per Profit and Loss Account	(A) (40,36,99,652)	(39,51,49,533)
Weighted average number of Equity Shares Outstanding	(B) 19,61,100	19,61,100
Basic/Diluted Earning Per Share (in Rupees)	(A)/(B) (205.85)	(201.49)
Nominal value of equity share (in Rupees)	10.00	10.00

2.22 Related Party Transaction

Related party disclosure as required by Accounting Standard (As) - 18 "related party disclosures" issued by The Institute of Chartered Accountants of India:

RELATIONSHIP:

(A) Name of Holding company - Reliance Infrastructure Limited

(B) Details of transactions during the year and closing balances as at the end of the year:

NATURE OF TRANSACTIONS:	₹	
	Year ended March 31, 2016	Year ended March 31, 2015
Statement of Profit & Loss		
Expenses :		
Business Support Services	95,15,799	30,89,900
Reimbursement of Expenses (other)	2,04,531	95,109
Balance Sheet Heads (Closing Balances):		
Issue of Equity Share Capital	1,96,11,000	1,96,11,000
Securities Premium	1,93,15,89,000	1,93,15,89,000
Sub-Ordinate Debts	1,44,09,00,000	99,59,00,000
Towards EPC Contract (Retention)	26,14,99,998	26,14,99,998
Towards EPC Contract (RA Bills)	17,16,75,853	17,28,06,934
Towards others	1,66,62,662	79,58,971
Transactions during the year:		
Sub-Ordinate Debts	44,50,00,000	54,00,00,000

GF Toll Road Private Limited

Notes annexed to and forming part of financial statements for year ended 31st March 2016

2.23 Segment Reporting

The Company operates in only one segment, namely "Toll Roads" hence there are no reportable segments under Accounting Standard 17 'Segment Reporting'.

2.24 GFTRPL has submitted its claims to IC/HPWD along with claims raised by the EPC Contractor towards compensation for additional cost and losses incurred due to delay in completion of work on account of delay events attributed to HPWD. Losses and additional cost incurred by Concessionaire and EPC Contractor is Rs. 173.02 Crs and Rs. 81.95 Crs respectively.

2.25 Micro and small enterprises as defined under the MSMED Act, 2006

There are no Micro and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

2.26 Amounts paid in earlier years towards service tax component on expenses incurred for construction and operation activities were accumulated for availing input service tax credit. Based on legal opinion obtained and subsequent reviews, it has been decided that input credit in respect of the same may not be available to the company, in the absence of any eligible output tax payable. Consequently, the tax credit which was hitherto being carried forward has been reversed with corresponding effect to the carrying cost of the asset of Rs. 47,88,084/- and respective expenses of Rs. 2,51,59,194/-.

2.27 Previous year figures have been regrouped and re-arranged to comply with the requirement of Revised Schedule VI.

As per our attached report of even date

For Grewal & Singh
Chartered Accountants
Firm's Regn. No. 012322N

Mohd. Ayub Ansari
Partner
Membership No. : 500810

Date: May 14, 2016
Place: Mumbai

For and on behalf of the Board

Kaushik Pal
Director & CEO
DIN:05237230

Madan Biyani
Director & CFO
DIN:07130371

Date: May 14, 2016
Place: Mumbai