

INDEPENDENT AUDITOR'S REPORT**To the Members of IRB Goa Tollway Private Limited****Report on the Financial Statements**

1. We have audited the accompanying financial statements of IRB Goa Tollway Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, 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 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; 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

3. Our responsibility is to express an opinion on these 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 there under.

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

4. An audit involves performing procedures to obtain audit evidence about the amounts and 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements

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

Emphasis of Matter

We draw attention to Note No. 9 regarding the termination of the road construction project awarded to the company by NHAI. The company has raised claim for compensation in respect of the same, which the company is certain of recovering and hence no provision in respect of the same has been made. Pending settlement of the same, the company is of the view that the going concern status is not impaired.

Our report is not qualified in respect of the matters stated above.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 2015, its Loss and its cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2015 ("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 Order.
8. As required by section 143(3) of the Act, we further 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 purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as 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 financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014



- e. on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act
- f. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations as at the reporting date that would impact its financial position;
 - ii) Based upon the assessment made by the company, there are no material foreseeable losses on its long term contracts that may require any provisioning.
 - iii) In view of there being no amount(s) required to be transferred to the Investor Education and Protection Fund for the year under audit the reporting under this clause is not applicable.

**For MKPS & Associates
Chartered Accountants
Firm's Regn No. 302014E**


**CA Narendra Khandal
Partner
M. No. 065025**

Mumbai, May 23, 2015



Annexure to Auditors' report

Referred to in our report of even date on the accounts of
IRB Goa Tollway Private Limited
for the year ended on 31st March 2015

- (i) The company does not have any fixed assets and hence the reporting requirements under (i) of paragraph 3 the order are not applicable to the company for the year under audit.
- (ii) In our opinion, and according to the information and explanations given to us, the Company has sub-contracted the entire work of construction to sub-contractor(s) and therefore does not carry any Inventory. Hence, the reporting requirements under clause (ii) of paragraph 3 of the Order are not applicable to the Company.
- (iii) In our opinion, and according to the information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained pursuant to section 189 of the Act. Hence, the reporting requirements under sub-clause (a) and (b) of clause (iii) of paragraph 3 of the order are not applicable.
- (iv) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for activities relating to the intangibles / intangibles under development and the incidental sale and purchase of goods / services. During the course of our audit, we have neither observed nor been informed by the management of any continuing failure to correct major weaknesses in internal controls.
- (v) In our opinion, and according to the information and explanations given to us, the company has not accepted any deposits during the period under audit. Consequently, the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed there under are not applicable.
- (vi) We have broadly reviewed the cost records maintained by the company as specified by the Central Government under section 148 (1) of the Act and are of the opinion, that prima-facie the prescribed cost records 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 information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India;
 - b) According to the information and explanations given to us, there are no applicable statutory dues which have not been deposited on account of any dispute.
 - c) In view of there being no amount(s) required to be transferred to the Investor Education and Protection Fund for the year under audit the reporting under this clause is not applicable.



- (viii) Since, the company has been in existence for a period of less than 5 years, the reporting requirements under this clause are not applicable.
- (ix) The company does not have any borrowings from banks / financial institutions. Hence, the reporting requirements under clause (ix) of paragraph 3 of the order are not applicable for the year under audit.
- (x) In our opinion, and according to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions. Therefore, the reporting requirements under clause (x) of paragraph 3 of the order are not applicable to the company.
- (xi) The company has not taken any term loans. Hence, the provision of clause (xi) of paragraph 3 of the order is not applicable.
- (xii) 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 has been noticed or reported during the course of our audit.

**For MKPS & Associates
Chartered Accountants
Firm's Regn No. 302014E**


**CA Narendra Khandal
Partner
M. No. 065025**

Mumbai, May 23, 2015



IRB GOA TOLLWAY PRIVATE LIMITED
Balance Sheet as at March 31, 2015

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2015 Audited	As at March 31, 2014 Audited
<u>EQUITY AND LIABILITIES</u>			
Shareholders' funds			
Share capital	4	346,000,000	346,000,000
Reserves and surplus	5	(592,464)	(181,730)
Total Shareholders' funds - A		345,407,536	345,818,270
Non- current liabilities			
Long term borrowings	6	1,303,366,000	1,303,366,000
Total Non- current liabilities - B		1,303,366,000	1,303,366,000
Current liabilities			
Short term borrowings	7	550,000	150,000
Trade payable		-	-
Other current liabilities	8	64,544	28,652
Total current liabilities - C		614,544	178,652
Total (A+B+C)		1,649,388,080	1,649,362,922
<u>ASSETS</u>			
Non-current assets			
Other non-current assets	9	1,649,216,396	1,649,216,396
Total Non-current assets - D		1,649,216,396	1,649,216,396
Current assets			
Cash and bank balances	10	171,684	146,526
Total current assets - E		171,684	146,526
Total (D+E)		1,649,388,080	1,649,362,922

Summary of significant accounting policies 3

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the financial statements

As per our report of even date


For M K P S & Associates
Chartered Accountants
Firm's Regd. No.302014E


CA. Narendra Khandal
Partner
Membership No.065025

Place: Mumbai
Date: 23/05/2015

For and on behalf of the Board of Directors of
IRB Goa Tollway Private Limited


V.K. Menon
Director
DIN:03075345


Anil Yadav
Chief Finance Officer


R.K. Agarwal
Director
DIN:06866305


Mehul Patel
Company Secretary

IRB GOA TOLLWAY PRIVATE LIMITED

Statement of profit and loss account for the year ended March 31, 2015

Particulars	Note No.	(Amount in Rs.)	
		Year Ended March 31,2015 Audited	Year Ended March 31,2014 Audited
Income			
Revenue from operations		-	-
Other income		-	-
Total - A		-	-
Expenses			
Operating expenses		-	-
Employee benefit expenses		-	-
Other expenses	11	410,734	80,622
Total - B		410,734	80,622
Earnings before interest, tax, depreciation and amortisation (EBITDA) (C=A-B)		(410,734)	(80,622)
Financial costs		-	-
Depreciation and amortisation expenses		-	-
Total - D		-	-
Profit/(loss) before tax (E= C-D)		(410,734)	(80,622)
Tax expense:			
Current tax		-	-
Net current tax		-	-
Deferred tax		-	-
Total tax expenses - F		-	-
Profit /(loss) after tax (G = E-F)		(410,734)	(80,622)
Basic and diluted earning per share		-	-
Face value per share		10	10

Summary of significant accounting policies

3

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the financial statements.

As per our report of even date

For M K P S & Associates

Chartered Accountants

Firm's Regd. No.302014E



CA. Narendra Khandal
Partner

Membership No.065025

Place: Mumbai

Date: 23/05/2015

For and on behalf of the Board of Directors of
IRB Goa Tollway Private Limited


V.K. Menon
Director
DIN:03075345


R.K. Agarwal
Director
DIN:06866305


Anil Yadav
Chief Finance Officer


Mehul Patel
Company Secretary

IRB GOA TOLLWAY PRIVATE LIMITED
Cash flow statement for the year ended March 31, 2015

(Amount in Rs.)

Particulars	March 31, 2015	March 31, 2014
Cash flow from operating activities		
Net profit before taxation	(410,734)	(80,622)
Adjustments for:		
Interest income on fixed deposit with bank	-	-
Interest on income tax refund	-	-
Operating profit / (loss) before working capital changes	(410,734)	(80,622)
Increase/(decrease) in trade payable	-	-
Increase/(decrease) in other current liabilities	35,892	562
Cash generated from operations	(374,842)	(80,060)
Direct taxes paid (net)	-	-
Net cash flow from/(used in) operating activities - (A)	(374,842)	(80,060)
Cash flows from investing activities		
Capital work in progress	-	-
Net cash used in investing activities - (B)	-	-
Cash flow from financing activities		
Proceeds from long-term borrowing	-	-
Proceeds from Short-term borrowing	400,000	100,000
Net cash from financing activities - (C)	400,000	100,000
Net increase/(decrease) in cash and cash equivalents (A+B+C)	25,158	19,940
Cash and cash equivalents at the beginning of the year	146,526	126,586
Cash and cash equivalents at the end of the year	171,684	146,526
Components of cash and cash equivalents		
Balances with scheduled banks:		
- In current accounts	171,684	146,526
Cash & bank balances (As per note 10)	171,684	146,526
Less: - Fixed deposits not considered as cash equivalents	-	-
Cash & cash equivalents in cash flow statement	171,684	146,526

Note :

1. All figures in bracket are outflow.
2. The total of cash and cash equivalent is as per balance sheet.
3. The cash flow statement has been prepared under indirect method as per Accounting Standard -3 " Cash Flow Statement " issued by the Institute of Chartered Accountants of India.

As per our report of even date

For MKPS & Associates
Chartered Accountants
Firm's Registration No.302014E


CA. Narendra Khandal
Partner
Membership No.: 065025

Place: Mumbai
Date: 23/05/2015

For and on behalf of the Board of Directors
IRB Goa Tollway Private Limited


V.K. Menon
Director
DIN:03075345


Anil Yadav
Chief Finance Officer


R.K. Agarwal
Director
DIN:06866305


Mehul Patel
Company Secretary

IRB GOA TOLLWAY PRIVATE LIMITED

Summary of significant accounting policies and other explanatory notes for the year ended March 31, 2015

1 Nature of operations

IRB Goa Tollway Private Limited ('the Company') is incorporated on February 05, 2010 under Companies Act, 1956. The Company has been awarded the project for 4-laning of the existing 2-lane Goa/Karnataka border- Panaji section of NH-4A from Km 84.00 to Km 153.070 (total length 65.07 Km) in the State of Goa (the "Project"). The Project has been awarded under National Highways Development Program (NHDP) Phase III and is to be executed as BOT (Toll) on a Design, Build, Finance, Operate and Transfer (DBFOT) basis.

The Company is a subsidiary of IRB Infrastructure Developers Limited ('IRBIDL'). IRBIDL being a public company, the Company has also become a public company in accordance with the provisions of the Companies Act, 2013.

2 Basis of preparation

The financial statements of IRB Goa Tollway Private Limited have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

3 Significant accounting policies

(a) Accounting period

These financial statements are for the period from 1st April, 2014 to 31st March 2015.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India (Indian GAAP) requires management to make estimates and assumptions 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 for 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.

(c) Fixed assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets - toll collection right

The Company has classified the Toll collection Rights for NH-4A as intangibles.

(d) Borrowing costs

Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relates to the period till such assets are ready to be put to use.

(e) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; 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. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognised but disclosed by way of notes to the account, contingent assets are neither recognised nor disclosed.

(f) Accounting for taxes on income

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 realised in future.

(g) Earning per share

Earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

IRB GOA TOLLWAY PRIVATE LIMITED

Summary of significant accounting policies and other explanatory notes for the year ended March 31, 2015

(Amount in Rs.)

Particulars	As at March 31, 2015 Audited	As at March 31, 2014 Audited
4 Share capital		
Authorised		
40,000,000 (previous period 40,000,000) equity shares of Rs. 10/- each	400,000,000	400,000,000
Equity Shares - Issued, Subscribed and Paid up		
34,600,000 (previous period 34,600,000) equity shares of Rs. 10/- each fully paid	346,000,000	346,000,000
Total	346,000,000	346,000,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity shares

Particular	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
At the beginning of the period	34,600,000	346,000,000	34,600,000	346,000,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	34,600,000	346,000,000	34,600,000	346,000,000

b. Share in the Company held by each shareholder holding more than 5% shares and held by the holding and fellow subsidiary company
Equity shares in numbers of Rs. 10/- each

Particular	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% holding	No. of Shares	% holding
IRB Infrastructure Developers Limited (Holding Company)	31,140,000	90	31,140,000	90
Modern Road Makers Private Limited (Fellow Subsidiary)	3,460,000	10	3,460,000	10
Total	34,600,000	100	34,600,000	100

As per records of the company, including its register of the shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

c. Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs.10/- per share. Each share holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

5 Reserves and surplus
Surplus in the statement of profit and loss

At the beginning of the accounting period	(181,730)	(101,108)
Profit/(loss) for the period	(410,734)	(80,622)
At the end of the accounting period	(592,464)	(181,730)

6 Long term borrowings
Subordinated debt (unsecured and interest free)

IRB Infrastructure Developers Limited (holding company)	1,173,105,000	1,173,105,000
Modern Road Makers Private Limited (fellow subsidiary)	130,261,000	130,261,000
Total	1,303,366,000	1,303,366,000

i) Subordinated debt is the part of Sponsors Equity from the promoters of the company for the project which is unsecured and interest free as per Common Loan Agreement with the lenders;

ii) No repayment/redemption/interest servicing allowed during the moratorium period of the long term project loan.

7 Short term borrowings
Unsecured Loan payable on demand and interest free

IRB Infrastructure Developers Limited (holding company)	550,000	150,000
Total	550,000	150,000

IRB GOA TOLLWAY PRIVATE LIMITED

Summary of significant accounting policies and other explanatory notes for the year ended March 31, 2015

(Amount in Rs.)

Particulars	As at March 31, 2015 Audited	As at March 31, 2014 Audited
8 Other current liabilities		
TDS payable	3,200	3,062
Other payable		
Others	61,344	25,590
Total	64,544	28,652
9 Other non-current assets		
Recoverable from NHAI	1,649,216,396	1,649,216,396
Total	1,649,216,396	1,649,216,396
<p>National Highways Authority of India (NHAI) have issued a letter to the Project SPV for terminating the Concession Agreement with respect to Four Laning of Goa/Karnataka Border Panaji Goa Stretch of NH 4A in the State of Goa due to inability of NHAI to resolve the matters on land acquisition, clearance of Forest & Environment Department and disputes on toll rates with the Government of Goa. The Project SPV has claimed for the compensation from NHAI towards termination of Concession Agreement.</p>		
10 Cash and cash equivalents		
Balances with Banks		
- On Current Account	171,684	146,526
Total	171,684	146,526

IRB GOA TOLLWAY PRIVATE LIMITED

Summary of significant accounting policies and other explanatory notes for the year ended March 31, 2015

(Amount in Rs.)

Particulars	Year Ended March 31,2015 Audited	Year Ended March 31,2014 Audited
11 Other expenses		
Legal and professional fees	370,284	52,223
Printing & Stationery	-	300
Bank charges	110	-
Auditor Fees	28,090	28,090
Other expenses	12,250	9
	410,734	80,622

IRB GOA TOLLWAY PRIVATE LIMITED**Summary of significant accounting policies and other explanatory notes for the year ended March 31, 2015****12 Segment Information**

The Company does not have more than one segment to be reported and hence, the Accounting Standard 17 for Segment Reporting as prescribed by Institute of Chartered Accountants of India is not applicable to the Company.

13 Related Party Disclosures

Names of related parties

Current period**i) Holding Company**

IRB Infrastructure Developers Limited

ii) Fellow subsidiaries (Only with whom there have been transactions during the year/ there was balance outstanding at the year end)

Modern Road Makers Private Limited

iii) Key Management Personnel

Mr.D.K. Joshi

Mr.A.D. Yadav

Mr.M.N. Patel

Previous period**i) Holding Company**

IRB Infrastructure Developers Limited

ii) Fellow subsidiaries (Only with whom there have been transactions during the year/ there was balance outstanding at the year end)

Modern Road Makers Private Limited

iii) Key Management Personnel

Mr.D.K. Joshi

Mr.A.D. Yadav

Mr.M.N. Patel

Statement of Transactions with Related Parties

For the year ended 31st March 2015

(Amount in Rs.)

SR. No.	Particular	Holding Company		Fellow Subsidiaries	
		2014-15	2013-14	2014-15	2013-14
	<u>Related Party Transactions</u>				
1	Short term borrowings taken	400,000	100,000	-	-
	IRB Infrastructure Developers Limited	400,000	100,000	-	-
	<u>Related Party Balances</u>				
	Outstanding balances as on 31-03-2015				
1	Long term borrowings	1,173,105,000	1,173,105,000	130,261,000	130,261,000
	IRB Infrastructure Developers Limited	1,173,105,000	1,173,105,000	-	-
	Modern Road Makers Private Limited	-	-	130,261,000	130,261,000
2	Short term borrowings	550,000	150,000	-	-
	IRB Infrastructure Developers Limited	550,000	150,000	-	-

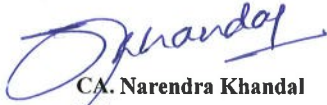
14 In view of the entire operations of the company being sub-contracted, there are no employees and as such the reporting requirements of AS – 15. Employee Costs are not applicable for the year under audit.

15 Previous year comparatives

Previous year's figures have been regrouped, wherever necessary, to confirm to current year's classification.

As per our report on even date

For M K P S & Associates
Chartered Accountants
Firm's Regd. No.302014E



CA. Narendra Khandal
Partner
Membership No.065025

Place: Mumbai
Date: 23/05/2015

For and on behalf of the Board of Directors
IRB Goa Tollway Private Limited.



V.K. Menon
Director
DIN:03075345



Anil Yadav
Chief Finance Officer



R.K. Agarwal
Director
DIN:06866305



Mehul Patel
Company Secretary