

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Kaithal Tollway Private Limited

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of Kaithal Tollway Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015 and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. In view of the project being under construction stage and there being no commercial activities, the Statement of Profit and Loss has not been prepared.

#### 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 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

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.

### **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 31<sup>st</sup> March 2015, 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 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**

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

*23/05/14*



## **Annexure to Auditors' report**

Referred to in our report of even date on the accounts of

### **Kaithal Tollway Private Limited**

for the year ended on 31<sup>st</sup> March 2015

- (i) The company has fixed assets in the nature of Intangible assets under development of Toll Collection Rights. The company does not have any other fixed assets and hence the reporting requirements under Clause 4(i) of 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 and as per our examination we report that the company has granted interest free, unsecured loan one to company covered in the register maintained pursuant to section 189 of the Act.
  - a) The loan is interest free and repayable on demand and no demand for repayment has been made during the year.
  - b) In view of there being no overdue amount, the reporting requirements under this sub-clause 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. 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) In view of there being no borrowings from Banks or financial institution or debenture holders, the reporting requirements under clause (ix) of paragraph 3 of the order are not applicable to the company.
- (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) In view of no term loans being availed by the company, the reporting requirements under clause (xi) of paragraph 3 of the order are not applicable to the company.
- (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**

*Narendra Khandal*

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

*23/05/2018*

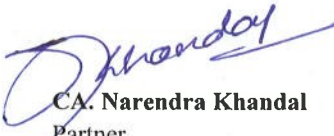


**KAITHAL TOLLWAY PRIVATE LIMITED**  
**Balance Sheet as at March 31, 2015**

(Amount in Rs.)

Particulars	Notes	As at March 31, 2015
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Shareholders' funds</b>		
Share capital	4	500,000
<b>Total Shareholders' funds - A</b>		<b>500,000</b>
Share application money pending allotment	5	1,622,000,000
<b>Total Share application money - B</b>		<b>1,622,000,000</b>
<b>Non- current liabilities</b>		
Long term borrowings	6	21,165,000
<b>Total Non- current liabilities - C</b>		<b>21,165,000</b>
<b>Current liabilities</b>		
Trade payables	7	1,318,000,000
Other current liabilities	8	5,953,593
<b>Total current liabilities - D</b>		<b>1,323,953,593</b>
<b>Total (A+B+C+D)</b>		<b>2,967,618,593</b>
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Fixed assets	9	
Intangible assets under development		27,376,504
Long term loans & advances	10	2,940,000,000
<b>Total Non-current assets - E</b>		<b>2,967,376,504</b>
<b>Current assets</b>		
Cash and bank balances	11	242,090
<b>Total current assets - F</b>		<b>242,090</b>
<b>Total (E+F)</b>		<b>2,967,618,593</b>

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  
**Kaithal Tollway Private Limited**

  
**V.K. Menon**  
Director  
DIN:03075345

  
**Anil Yadav**  
Chief Finance Officer

  
**R.K. Agarwal**  
Director  
DIN:06866305

  
**Mehul Patel**  
Company Secretary

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

(Amount in Rs.)

Particulars	March 31, 2015
<b>Cash flow from operating activities</b>	
Net profit before taxation	-
<b>Adjustments for:</b>	
Depreciation / amortisation of fixed assets	-
Interest income on fixed deposit with bank	-
Interest on income tax refund	-
<b>Operating profit / (loss) before working capital changes</b>	-
Increase/(decrease) in trade payable	1,318,000,000
Increase/(decrease) in other current liabilities	5,953,593
Decrease/(increase) in Long term loans and advances	(2,940,000,000)
<b>Cash generated from operations</b>	<b>(1,616,046,407)</b>
Direct taxes paid (net)	-
<b>Net cash flow from/(used in) operating activities - (A)</b>	<b>(1,616,046,407)</b>
<b>Cash flows from investing activities</b>	
Capital work in progress	(27,376,504)
<b>Net cash used in investing activities - (B)</b>	<b>(27,376,504)</b>
<b>Cash flow from financing activities</b>	
Equity contribution	500,000
Share application money	1,622,000,000
Proceeds from long term borrowing	21,165,000
<b>Net cash from financing activities - (C)</b>	<b>1,643,665,000</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>242,090</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>242,090</b>
<b>Components of cash and cash equivalents</b>	
Cash on hand	2,000
Balances with scheduled banks:	
- In current accounts	240,090
<b>Cash &amp; bank balances</b>	<b>242,090</b>
Less: - Fixed deposits not considered as cash equivalents	-
<b>Cash &amp; cash equivalents in cash flow statement (note 11)</b>	<b>242,090</b>

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  
**Kaithal Tollway Private Limited**

  
V.K. Menon  
Director  
DIN:03075345

  
Anil Yadav  
Chief Finance Officer

  
R.K. Agarwal  
Director  
DIN:06866305

  
Mehul Patel  
Company Secretary

## KAITHAL TOLLWAY PRIVATE LIMITED

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

#### 1 Nature of operations

Kaithal Tollway Private Limited ('the Company') is incorporated on June 11, 2014 under Companies Act, 1956. The Company has been awarded the project for 4-laning of Kaithal Rajasthan Boarder Section of NH-152/65 from KM 33+250 (Design KM 0.500) To KM 241+580 (Design KM 165.759) in the State of Haryana. The Project has been awarded under National Highways Development Program (NHDP) Phase IV through Public private partnership (PPP) on a Design, Build, Finance, Operate and Transfer (DBFOT) Toll 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 Kaithal 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.

#### 3 Significant accounting policies

##### (a) Accounting period

These financial statements are for the period from 11 th June, 2014 to 31<sup>st</sup> 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 and intangible

###### *Fixed asset*

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**

###### *Toll collection rights*

The Company has classified the Toll collection Rights for Solapur to Yedheshi of NH-211, as intangibles.

##### (d) Expenditure on Solapur to Yedeshi project

Expenses incurred in relation to project prior to commencement of project are classified as pre-operative expenses for Toll Collection Rights.

##### (e) 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.

##### (f) Provisions, Contingent liabilities and Contingent assets

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 recognized nor disclosed.



**KAITHAL TOLLWAY PRIVATE LIMITED**

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

Particulars	As at March 31, 2015	
<b>4 Share capital</b>		
<b>Authorised</b>		
170,000,000 (previous period N.A.) equity shares of Rs. 10/- each		<u>1,700,000,000</u>
<b>Equity Shares - Issued, Subscribed and Paid up</b>		
50,000 (previous period N.A.) equity shares of Rs. 10/- each fully paid		<u>500,000</u>
		<u>500,000</u>
<b>a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>		
<b>Equity shares</b>	<b>As at March 31, 2015</b>	
<b>Particulars</b>	<b>No. of Shares</b>	<b>Amount in Rs.</b>
At the beginning of the period	-	-
Issued during the period	50,000	500,000
Outstanding at the end of the period	50,000	500,000
<b>b. Share in the Company held by each shareholder holding more than 5% shares and held by the holding and fellow subsidiary company</b>		
<b>Equity shares in numbers of Rs. 10/- each</b>	<b>As at March 31, 2015</b>	
<b>Particulars</b>	<b>No. of Shares</b>	<b>% holding</b>
IRB Infrastructure Developers Limited (Holding Company)	50,000	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.		
<b>c. Terms/rights attached to equity shares</b>		
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		
<b>5 Share application money pending allotment</b>		
IRB Infrastructure Developers Limited (holding company)		<u>1,622,000,000</u>
		<u>1,622,000,000</u>
<b>6 Long term borrowings</b>		
Subordinated debt (unsecured and interest free)		
IRB Infrastructure Developers Limited (holding company)		<u>21,165,000</u>
		<u>21,165,000</u>
<b>7 Trade payables</b>		
<b>Related parties</b>		
IRB Infrastructure Developers Limited (holding company)		<u>1,318,000,000</u>
		<u>1,318,000,000</u>
<b>8 Other current liabilities</b>		
Other duties and taxes payable		100
Other payable		
IRB Infrastructure Developers Limited (holding company)		<u>5,953,493</u>
		<u>5,953,593</u>

**KAITHAL TOLLWAY PRIVATE LIMITED**

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

<b>Particulars</b>	<b>As at March 31, 2015</b>
<b>9 Fixed assets</b>	
<b>Intangible assets under development</b>	
<b>Toll collection rights</b>	
(a) Construction cost	-
(b) Pre-operative expenses	27,376,504
	<u>27,376,504</u>
<b>10 Long term loans &amp; advances</b>	
Mobilisation Advance to EPC Contractor	
IRB Infrastructure Developers Limited (holding company)	2,940,000,000
	<u>2,940,000,000</u>
<b>11 Cash and cash equivalents</b>	
Balances with Banks	
- On Current Account	240,090
- Cash on hand	2,000
	<u>242,090</u>

**KAITHAL TOLLWAY PRIVATE LIMITED**

Summary of significant accounting policies and other explanatory information 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) 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
		Mar-15	Mar-15
	<b>Related Party Transactions</b>		
1	Share application money received IRB Infrastructure Developers Limited	1,622,500,000 1,622,500,000	- -
2	Share Alloted IRB Infrastructure Developers Limited	500,000 500,000	- -
3	Expenses paid on behalf of us IRB Infrastructure Developers Limited	5,953,493 5,953,493	- -
4	Long term borrowings IRB Infrastructure Developers Limited	21,165,000 21,165,000	- -
5	Long term loans & advances IRB Infrastructure Developers Limited	2,940,000,000 2,940,000,000	- -
	<b>Related Party Balances</b>		
	<b>Outstanding balances as on 31-03-2015</b>		
1	Long term borrowings IRB Infrastructure Developers Limited	21,165,000 21,165,000	- -
2	Other payable IRB Infrastructure Developers Limited	5,953,493 5,953,493	- -
3	Trade payable IRB Infrastructure Developers Limited	1,318,000,000 1,318,000,000	- -
4	Long term loans & advances IRB Infrastructure Developers Limited	2,940,000,000 2,940,000,000	- -

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  
Kaithal Tollway Private Limited

  
V.K. Menon  
Director  
DIN:03075345

  
Anil Yadav  
Chief Finance Officer

  
R.K. Agarwal  
Director  
DIN:06866305

  
Mehul Patel  
Company Secretary