

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **KNR Muzaffarpur Barauni Tollway Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 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 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.

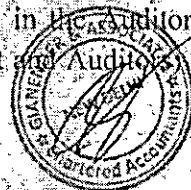
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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, 2016, and its loss and its 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 Companies Act, 2013, we enclosed in the annexure a statement on the matters specified in paragraph 3 and 4 of the said Order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid 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. There are no observations or comments on the financial transactions or matters which have any adverse effect on the functioning of the company.
 - f. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record, 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.
 - g. 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-A".
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,



in our opinion and to the best of our information and according to the explanations given to us:

- i. The company has no pending litigation which would impact its financial position;
- ii. The company did not have any long-term contract including derivative contract for which there were any material foreseeable losses;
- iii. There were no amount which were required by the company to be transferred to the Investor Education and Protection Fund.

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)



A handwritten signature in black ink, appearing to read "S. Agrawal".

Shashank Agrawal
(Partner)
(Membership No. 536670)

Place: New Delhi
Date: 20/05/2016

Annexures to the Independent Auditor's Report of KNR Muzaffarpur Barauni Tollway Private Limited for the Year ended as on 31st March 2016

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-

- i. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
b) The Fixed Assets have been physically verified by the management at regular intervals and no material discrepancies were noticed on such verification
c) The Company has no immovable properties.
- ii. As the company is engaged in the business of infrastructure development, operations and its maintenance and there is no inventory in hand at any point of time, hence paragraph 3(ii) of the Order is not applicable to the company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.
- v. The Company has not accepted deposits in terms of the provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under. Therefore the paragraph 3(v) of the Order is not applicable to the company.
- vi. It has been represented by the management that the cost records are not required to be maintained under section 148 of the Companies Act 2013 and rules made thereunder.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities except tax deducted at source, where there have been some delay in few cases. As on 31st March 2016, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable.
b) According to the information and explanations given to us, there were no statutory dues pending in respect of income tax, sales tax, VAT, custom duty and cess etc. on account of any dispute.
- viii. During the year the company has not defaulted in repayment of loans or borrowings to the banks. The company has not taken any loan or borrowings from any financial institutions or Government. The company has not issued debentures.
- ix. Money raised by way of term loan were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer.
- x. According to the information and explanation given to us by the management which have



been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.

- xi. The company has not paid any managerial remuneration. Therefore the provisions of section 197 read with Schedule V of the Companies Act 2013 are not applicable.
- xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information provided to us, the transaction entered with the related parties are in compliance with section 177 and 188 of the Act and are disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information provided to us, the company had not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year which are not in compliance of Section 42 of the Companies Act.
- xv. According to the information provided to us, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under section 192 of the Companies Act 2013. Therefore, paragraph 3(xv) of the Order is not applicable to the company.
- xvi. According to the information provided to us, the company is not required to be registered under section 451A of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the company.

Place: New Delhi
Date: 20/05/2016

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)



Shashank Agrawal
(Partner)
(Membership No. 536670)

internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 my /our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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.



Shashank Agrawal
(Partner)
(Membership No. 536670)



For Gnamender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)

Place: New Delhi
Date: 20/05/2016

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 March 31, 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.

KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2016

(Rupees in Lakhs)

PARTICULARS	NOTE No	As At 31-03-2016		As At 31-03-2015	
I EQUITY AND LIABILITIES					
1) SHAREHOLDERS' FUNDS					
a) Share Capital	1	7,060.00		5,500.00	
b) Reserves and Surplus	2	(15.03)	7,044.97	(9.77)	5,490.23
2) NON - CURRENT LIABILITIES					
a) Long-term borrowings	3	33,991.00		26,575.69	
b) Other Long Term Liabilities	4	276.16	34,267.16	-	26,575.69
3) CURRENT LIABILITIES					
a) Other Current Liabilities	5	3,792.62	3,792.62	1,606.94	1,606.94
TOTAL			45,104.75		33,672.86
II ASSETS					
1) NON-CURRENT ASSETS					
a) Fixed Assets					
-Tangible Assets		0.89		1.19	
-Intangible Assets	6	-		-	
-Intangible asset under development		42,284.98		31,918.99	
b) Long Term Loans and Advance	7	1,500.00	43,785.87	1,635.71	33,555.89
2) CURRENT ASSETS					
a) Cash and Cash Equivalents	8	1,167.92		67.30	
b) Short-term loans and advances	9	23.27		8.11	
c) Other Current Assets	10	127.69	1,318.88	41.56	1,16.97
TOTAL			45,104.75		33,672.86

Significant Accounting Policies

12

See accompanying Notes to financial statements

As per our report of even date attached

For: Gianender & Associates

Chartered Accountants

(ICAI Registration No.004661N)

(Signature)
Shashank Agrawal
Partner



Membership No:536670

Place: New Delhi

Date : 20-05-2016

For and on behalf of the Board

(Signature)
R. Rama Laxmi
(Company Secretary)

(Signature)
K.N Reddy
(Director)

(Signature)
R.K Jalan
(Director)

KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

(Rupees In Lakhs)

PARTICULARS	NOTE No	For the Year ended 31.03.2016	For the Year ended 31.03.2015
I Income			
Revenue from operations		-	-
Other income		-	-
Total Revenue		-	-
II Expenses:			
Operating & Maintenance Expenses		-	-
Employee benefits expense		-	-
Finance costs		-	-
Depreciation and amortization expense		-	-
Audit Fees		5.26	5.17
Total expenses		5.26	5.17
Profit before tax (I- II)		(5.26)	(5.17)
Tax expense:			
1) Current tax		-	-
2) Deferred tax		-	-
Profit (Loss) for the period		(5.26)	(5.17)
Earnings per equity share:			
1) Basic		(0.01)	(0.01)
2) Diluted		(0.01)	(0.01)

Significant Accounting Policies

12

See accompanying Notes to financial statements

As per our report of even date attached

For Gianender & Associates

For and on behalf of the Board

Chartered Accountants

(ICAI Registration No.004661N)

(Signature)



Shashank Agrawal
Partner

Membership No:536670

Place: New Delhi

Date : 20-05-2016

(Signature)
R. Rama Laxmi
(Company Secretary)

(Signature) **K.N Reddy** (Director)
(Signature) **R.K Jalan** (Director)

KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(Rupees in Lakhs)

PARTICULARS	For the Year ended 31-03-2016	For the Year ended 31-03-2015
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	(5.26)	(5.17)
Adjustments for		
Depreciation & Amortisation Expenses	-	-
Preliminary Expenses written off	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(5.26)	(5.17)
(Increase)/Decrease in Trade and Other Receivables	-	-
Increase/(Decrease) in Trade Payables and Other Liabilities	-	-
CASH GENERATED FROM OPERATIONS	(5.26)	(5.17)
Taxes paid		
NET CASH USED IN OPERATING ACTIVITIES	(5.26)	(5.17)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed asset		
- Tangible Asset		
- Intangible Asset under development	(7,869.43)	(10,145.76)
NET CASH USED IN INVESTING ACTIVITIES	(7,869.43)	(10,145.76)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Funds Borrowed - sub debt	7,415.31	10,093.69
Issue of Equity Shares	1,560.00	-
Share Application Money	-	-
Preliminary Expenses	-	-
NET CASH FROM FINANCING ACTIVITIES	8,975.31	10,093.69
Cash and Cash Equivalents as at April 1, 2015 (Opening Balance)	1,100.62	(57.24)
Cash and Cash Equivalents as at March 31, 2016 (Closing Balance)	67.30	124.54
	1,167.92	67.30

Notes:

1 Components of Cash & Cash Equivalents

Cash in Hand	1.00	1.00
Bank Balance - Current Account	1,166.92	66.30
- Fixed Deposit	-	-
	1,167.92	67.30

2 The Cash flow statement is prepared in accordance with the Indirect Method stated in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities.

3 Previous year's figures have been regrouped, wherever necessary.

4 Figures in brackets represent cash outflows.

5 Notes on accounts stated form an integral part of the Cash Flow Statement.

As per our report of even date attached

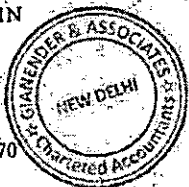
For Gianender & Associates
Chartered Accountants
Firm Regn. No.004661N

Shashank Agrawal
Partner

Membership No:536670

Place: New Delhi

Date : 20-05-2016



R. Rama Laxmi
R. Rama Laxmi
(Company Secretary)

For and on behalf of the Board

K.N.Reddy
K.N.Reddy
(Director)

R.K. Jalan
R.K. Jalan
(Director)

KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTE 1

SHARE CAPITAL

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares in Lakhs	Rupees in Lakhs	No. of Shares in Lakhs	Rupees in Lakhs
EQUITY SHARE CAPITAL				
Authorised Share capital				
Equity Shares of Rs. 10/- each	706.00	7,060.00	550.00	5,500.00
Issued, subscribed & fully paid up capital				
Equity Shares of Rs. 10/- each Issued at Par	706.00	7,060.00	550.00	5,500.00
Total	706.00	7,060.00	550.00	5,500.00

The Company has only one class of equity shares having a par value of Rs.10/-per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in indian rupees. The dividend, if any proposed by the board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2016, no dividend is declared by Board of Directors. (Previous year - Nil)

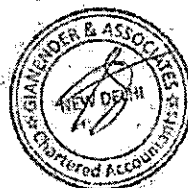
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders

The reconciliation of the number of shares and amount of share capital outstanding as at March 31, 2016 and March 31, 2015 is set out below:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares in Lakhs	Rupees in Lakhs	No. of Shares in Lakhs	Rupees in Lakhs
Number of Equity Shares at the beginning	550.00	5,500.00	550.00	5,500.00
Add:- Number of Shares Issued	156.00	1,560.00	-	-
Less:- Number of Shares Brought Back	-	-	-	-
Number of Equity Shares at the end	706.00	7,060.00	550.00	5,500.00

The details of shareholder holding more than 5% shares as at March 31, 2016 and March 31, 2015 is set out below:

Name of the shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares in Lakhs	% held	No. of Shares in Lakhs	% held
1. KNR Muzaffarpur Holdings Private limited-Holding Company	355.47	50.35	275.91	50.17
2. JKM Infra Projects Limited	345.94	49.00	269.50	49.00
3. KNR Constructions Limited & its nominee-Ultimate Holding Company	4.59	0.65	4.59	0.83
	706.00	100.00	550.00	100.00



KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate

Name of Shareholder	Relationship	As at 31st March 2016		As at 31st March 2015	
		No. of Shares held	Rupees in Lakhs	No. of Shares held	Rupees in Lakhs
1 KNR Muzaffarpur Holdings Private limited	Holding Company	355.47	3,554.70	275.91	2,759.10
2 KNR Constructions Limited	Ultimate Holding Company	4.59	45.90	4.59	45.90

NOTE 2

RESERVES AND SURPLUS

Particulars	(Rupees in Lakhs)	
	As At March 31, 2016	As At March 31, 2015
Surplus/(deficit) in the Statement of Profit and Loss		
Balance as per Last Financial Statements	(9.77)	(4.60)
Add: Profit/(Loss) for the year	(5.26)	(5.17)
Total	(15.03)	(9.77)

NOTE 3

LONG-TERM BORROWINGS

Particulars	(Rupees in Lakhs)	
	As At March 31, 2016	As At March 31, 2015
SECURED LOANS		
Term Loan		
From Banks (Refer foot note i)		
a) Rupee Loans		
-Corporation Bank	4,986.00	4,466.75
-Punjab National Bank	11,331.00	8,934.00
-State Bank of Patiala	5,662.00	4,459.64
-State Bank of Bikaner & Jaipur	4,986.00	4,405.80
Sub-Total	26,965.00	22,266.19
UNSECURED LOANS		
Loans and advances from related parties		
From KNR Muzaffarpur Holding Pvt Ltd	54.40	850.00
From KNR Constructions Ltd	5,276.50	
From JKM Infra Projects Limited (Refer foot note ii)	1,695.10	3,459.50
Sub-Total	7,026.00	4,309.50
Total	33,991.00	26,575.69



KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Foot Note - i

Terms of Security

- i. Mortgage /charge over the company's immovable and movable properties (other than project assets but including all receivables) both present and future;
- ii. Charge/assignment of revenues receivables
- iii. Charge over /assignment of the rights, titles and interests of the company in to and in respect of all project agreements (in accordance with concession agreement).
- iv. Assignment of insurance policies, interest, benefits, claims, guarantees ,performance bonds and liquidated damages;
- v. Pledge of 51% of the fully paid up Equity share capital of the company;
 The aforesaid charge will rank Pari - Passu with the mortgages and charges created/to be created in favour of participating institutions/banks.

Terms of Repayment of Project Loan

The above loan is repayable in fifty quarterly unequal installments ranging from 0.20 crores to 13.89 crores beginning from 1st January , 2017 to 1st April, 2029. The numbers of balance installments as on 31st March, 2016 are 50. The interest charged by the lenders is in the range of 12%.Interest is payable monthly.

Foot Note - ii

Borrowings from JKM Infra Projects Limited, KNR Constructions Limited and KNR Muzaffarpur Holding Private Limited are in the nature of sub-debt and are not repayable during the currency of senior debt. As per the Common Loan Agreement, sub-debt shall remain unused, subordinate and interest free. Hence no interest is payable on such loans.

NOTE 4

OTHER LONG TERM LIABILITIES

(Rupees in Lakhs)

Particulars	As At March 31, 2016	As At March 31, 2015
Trade Payable	-	-
Other -Mobilization Advance-NHAI	276.16	-
Total	276.16	-



KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTE 5

OTHER CURRENT LIABILITIES

Particulars	(Rupees in Lakhs)	
	As At March 31, 2016	As At March 31, 2015
Current maturities of long-term debt		
Term Loan		
From Banks		
Rupee Loans		
-Corporation Bank	4.00	3.25
-Punjab National Bank	8.00	6.00
-State Bank of Bikaner & Jaipur	4.00	3.25
-State Bank of Patiala	4.00	3.25
EPC-Bills Payable-JKM Infra Project Ltd (Associate Company)	2,785.87	702.23
Interest accrued but not due on borrowings;	259.63	229.82
Interest accrued and due on borrowings;	-	202.59
Retention Deposit - JKM Infra Project Limited	425.00	200.99
Creditors for Expenses to Related Parties	8.50	11.06
Outstanding Expenses:		
Audit Fee payable	4.95	4.82
Consultancy Fee Payable	-	3.32
Independent Engineer Fee	-	66.36
Salaries Payable	35.79	24.43
Lender Engineer fees Payable	23.69	12.64
Other Payables:		
-Utility Shifting & Tree Cutting Expenses Payable- JKM Infra Project Ltd	6.08	48.33
- Other Payables	10.59	6.16
Statutory Dues		
TDS/TCS	14.74	44.73
VAT/WCT	141.28	24.08
Labour Welfare Cess Payable	56.50	9.63
Total	3,792.62	1,606.94



KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTE 6

FIXED ASSETS

(Rupees in Lakhs)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at April 1, 2015	Additions	As at March 31, 2016	As at April 1, 2015	For the Period	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
I Tangible Assets								
Computers	0.75		0.75	0.60	0.15	0.75	-	0.15
Furniture & Fixtures	1.83		1.83	0.86	0.13	0.99	0.84	0.97
Water Purifier	0.15		0.15	0.08	0.02	0.10	0.05	0.07
Sub-total	2.73		2.73	1.54	0.30	1.84	0.89	1.19
II Intangible Assets								
Sub-total								
Intangible Assets under III development (Refer Note-6A)	31,918.99	10,365.99	42,284.98	-	-	-	42,284.98	31,918.99
Sub-total	31,918.99	10,365.99	42,284.98	-	-	-	42,284.98	31,918.99
TOTAL	31,921.72	10,365.99	42,287.71	1.54	0.30	1.84	42,285.87	31,920.18
Previous Year	21,907.98	10,013.74	31,921.72	1.09	0.45	1.54	31,920.18	21,906.89



KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTE 7

LONG TERM LOANS AND ADVANCE

Particulars	(Rupees in Lakhs)	
	As At March 31, 2016	As At March 31, 2015
(Unsecured, considered good)		
Capital advance to related parties		
Mobilization Advance -JKM Infra Projects Limited (Associate Company)	1,500.00	1,500.00
Material Advance - JKM Infra Projects Limited (Associate Company)	-	135.71
Other Loans and advance		
Total	1,500.00	1,635.71

NOTE 8

CASH AND BANK BALANCES

Particulars	(Rupees in Lakhs)	
	As At March 31, 2016	As At March 31, 2015
Cash & Cash Equivalents		
Balance with Banks		
Current accounts	1,166.92	66.30
Term Deposit With less than 3 months maturity	-	-
Cash on hand	1.00	1.00
Sub-Total	1,167.92	67.30
Other Bank Balance		
Sub-Total	-	-
Total	1,167.92	67.30

NOTE 9

SHORT TERM LOANS AND ADVANCES

Particulars	(Rupees in Lakhs)	
	As At March 31, 2016	As At March 31, 2015
(Unsecured, considered good)		
Loans and Advances to Related Parties		
Other Loans and advance		
TDS Receivable	11.36	7.56
IT Refund	7.56	-
Staff Imprest	0.99	0.55
Other Deposit	3.36	-
Total	23.27	8.11

NOTE 10

OTHER CURRENT ASSETS

Particulars	(Rupees in Lakhs)	
	As At March 31, 2016	As At March 31, 2015
Amount Recoverable from KNRCL-(Creditors for Expenses)	121.61	-
Receivable from NHAI	6.08	41.56
Total	127.69	41.56



KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

maintenance of the project on Build, Operate and Transfer basis. The cost of such carriageway comprises construction costs incurred during the implementation phase. Such Carriageway on completion is capitalized as intangible asset.

III) Intangible Assets under development

Intangible Asset under development includes direct and indirect expenditure incurred for the Highway project and the cost incidental and related thereto.

Expenses incurred relating to the development of Highway project prior to commencement of commercial operations are included under intangible Asset under development (net of income earned during project development stage) and after completion, the same will be transferred to Intangible Assets.

Pre-operative expenses including administrative and other general overhead expenses incurred up to the date of commencement of commercial operations which are specifically attributable to construction of the carriageway are capitalized as part of the cost of the asset. Other expenses have been written off in the year of incurrence of such expenditure.

C. DEPRECIATION AND AMORTIZATION

Depreciation or Amortization on fixed assets has been provided on straight-line basis in the manner specified in Schedule II of the Companies Act, 2013.

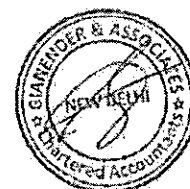
D. BORROWING COSTS

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalized, as part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they were incurred.

In accordance with the Accounting Standard - 16 on "Borrowing Costs", income earned on investment (short term) of funds intermittently surplus but inextricably linked with project is set off against related borrowing costs

E. INVESTMENTS

Current Investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investment.



KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

F. EARNING PER SHARE

Basic and Diluted Earnings Per Share (EPS) is reported in accordance with Accounting Standard (AS) -20, "Earning Per Share", issued by the Institute of Chartered Accountants of India and notified under Companies (Accounting Standards) Rules, 2006. EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity Shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which would have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at the average market value of the outstanding shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increase loss per share are included.

G. IMPAIRMENT OF ASSETS

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- a) the provision for impairment loss, if any required; or
- b) the reversal, if any, required of impairment loss recognized in previous period.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- a) in the case of an individual assets, at the higher of the net selling price and the value in use;
- b) in the case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's net selling price and the value in use.

H. TAXES

Current tax is determined as the amount of tax payable in respect of taxable income for the year. A provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.



KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year, and qualified using the tax-rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets in relation to unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets should be recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax in respect of timing differences which reverse during the tax holiday period is not recognized to the extent the enterprise's gross total income is subject to the deduction during the tax holiday period as per the requirements of section -80IA/80-IB of the Income tax Act.

I. PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a) the company has a present obligation as a result of a past event,
- b) a probable outflow of resources is expected to settle the obligation and
- c) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received

Contingent Liability is disclosed in the case of

- a) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- b) a possible obligation when no reliable estimate is possible, and
- c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognized nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each balance sheet date.



KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

J. EMPLOYEE BENEFITS

Provisions for/ contributions to retirement benefit schemes are made as follows (as per AS-15):

- a) Provident fund on actual liability basis.
- b) Gratuity based on actuarial valuation.
- c) Leave encashment benefit on retirement on actuarial valuation basis



KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

13. The Company has not yet commenced its commercial operations.
14. Remuneration paid to the Statutory Auditors for the year ended 31.03.2016 (including service tax)

(Amount in Lakhs)

Audit and Other Fees	2015-16	2014-15
Statutory Audit Fees	4.50	4.50
Certification Fees	0.96	2.22
Out of Pocket Expenses	0.10	0.10

15. Related Party Transactions:

List of related party with whom transaction entered during the year

Name of Related Party	Relationship
KNR Constructions Limited	Ultimate Holding Company
KNR Muzaffarpur Holding Private Limited	Holding Company
JKM Infra Projects Limited	Associate company and EPC Contractor

Key Management Personnel

Mr.K.Narasimha Reddy	Director
Mr. Jalandhar Reddy	Director
Mr R.K Jalan	Director
Ms.R. Rama Laxmi	Company Secretary

The nature and volume of transactions during the year with the above related parties were as follows.

(Rupees in Lakhs)

Company Particulars	2015-16	2014-15
KNR Constructions Limited		
-Share Capital	Nil	Nil
-Other Expenses Payable	227.70	2.80
-Unsecured Loan	5276.50	Nil
KNR Muzaffarpur Holdings Pvt Ltd		
-Share Capital	795.60	Nil
-Unsecured Loan	(795.60)	850.00
JKM Infra Project Limited		



KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

-Share Capital	764.40	Nil
-Retention Money	224.01	420.69
-EPC Bill	7119.96	7,270.21
-Mobilization Advance Recovered	Nil	(1,503.80)
-Material Advance Given	Nil	298.97
-Material Advance Recovered	(135.71)	(557.61)
- Mobilization Advance Given	Nil	1,500.00
-Other Expenses Payable	Nil	Nil
-Unsecured Loan	(764.40)	2,242.50
- Sub-Contractor (Utility Shifting & Tree Cutting)	267.02	315.97
Key Management Personnel-Company Secretary		
-Remuneration	2.40	2.40

Balance outstanding as on 31.03.2016

(Rupees in Lakhs)

Company Particulars	2015-16	2014-15
KNR Constructions Limited		
-Share Capital	45.90	45.90
-Other Expenses Payable	(121.61)	2.79
- Unsecured Loan	5276.50	Nil
KNR Muzaffarpur Holdings Pvt Ltd		
-Share Capital	3554.70	2,759.10
-Unsecured Loan	54.40	850.00
JKM Infra Project Limited		
-Share Capital	3459.40	2,695.00
-Retention Money	425.00	200.99
-Bills Payable (EPC Contractor)	2785.86	702.22
-Mobilization Advance	1,500.00	1,500.00
-Material Advance	Nil	135.70
-Other Expenses Payable	8.49	8.49
-Unsecured Loan	1695.10	3,459.00
-Sub-Contractor Payable (Utility Shifting&Tree Cutting)	6.08	48.33
- Performance Bank Guarantee	1575.00	1575.00
- Bank Guarantee-Retention Deposits	1400.00	1400.00
Key Management Personnel-Company Secretary		
- Remuneration Payable	0.20	0.20



KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

16. Foreign Currency Transactions:

S No.	Particulars	2015-16	2014-15
1	CIF Value of Imports	Nil	Nil
2	Expenditure in Foreign Currency	Nil	Nil
3	Earnings in Foreign Currency	Nil	Nil

17. Contingent Liability and Commitments

Particulars	Rupees in Lakhs
Contingent Liability	Nil
Capital Commitment	
EPC Cost (Revised)	36,500.00
Less :	
Work done	33,667.47
Unrecovered Advance	1,500.00
Commitment to the extent not provided for	1332.53

18. Earnings Per Share

Particulars	2015-16	2014-15
Net Profit After Tax (Rs in lakhs)	(5.26)	(5.17)
Weighted Average number of Equity Shares in lakhs	706.00	550.00
EPS	(0.01)	(0.01)

19. In the opinion of the Board, the current assets, loans & advances, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

20. Employee Benefits

Particulars of Employees who were in receipt of remuneration of more than Rs.5, 00,000/- or more per month, if employed for a part of the year – Nil (Previous Year – Nil) or who were in receipt of remuneration of more than Rs.60, 00,000/- or more per annum, if employed for whole of the year – Nil (Previous Year – Nil).

Actuarial valuation for gratuity to the company is not applicable during the year because the no of Employees are less than ten.



KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

21. Due To Micro, Small and Medium Enterprises

There has been no claimed transaction during the period with MICRO, Small and Medium Enterprises covered under the MICRO, Small and Medium Enterprises Development Act. (MSMED Act, 2006) Hence, reporting details of principal and interest does not arise

22. Segment Information

Business Segment:

The services rendered by the Company are in the nature of Design, Build, Finance, Operate and Transfer (The "DBFOT") on Toll basis under NHDP-IV for National Highways Authorities of India (NHAI) (Ministry of Road Transport and Highways, Government of India) in the State of Bihar on Toll basis and hence no business segment disclosure is considered necessary.

Geographical Segment:

During the year under report, the Company has engaged in its business within the State of Bihar. The conditions prevailing in Bihar being uniform, no separate geographical disclosure is considered necessary.

23. Taxes on Income

- a) The Company does not have taxable income and hence provision for current tax has not been made. The Company is eligible for deduction under section 80IA of Income Tax Act and the tax holiday period of the company's project falls within the concession period of the company as defined in Section 80IA. Since deferred tax on Timing differences between Accounting Income and Taxable Income that arise during the year is reversing during such tax Holiday period, no deferred tax asset/liability arises and accordingly no provision is made in the accounts.
- b) The Company does not have taxable wealth under the provisions of the Wealth Tax Act 1952.



KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

24. Impairment of Assets

The Company has reviewed the future discounted cash flows based on value in use of fixed assets and is satisfied that the recoverable amount is more than the amount carried in the books. Accordingly, no provision is required to be made for the impairment in the accounts.

25. Previous year's figures have been regrouped/reclassified/rearranged wherever considered necessary.

For Gianender & Associates

Chartered Accountants

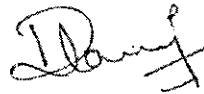
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Shashank Agrawal

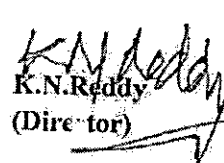
Partner

M.No.536670



R. Rama Laxmi
(Company Secretary)

For and on behalf of the Board



K.N. Reddy
(Director)



R.K. Jalan
(Director)

Place:

Date: