

SALEM TOLLWAYS LIMITED

CIN: U45200TG2005PLC047961

"Regd. Office: M-22/3RT, Vijayanagar Colony, Hyderabad - 500 057. Telangana"

EMAIL ID: BS_CS@IVRINFRA.COM, TEL NO:040-30931376

11th ANNUAL REPORT

Financial Year : 2015-16

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Eleventh Annual General Meeting of the Members of *M/s Salem Tollways Limited* will be held on Monday, the September 12, 2016 at 03.00 P.M. at the Registered Office of the company at M-22/3RT, Vijayanagar Colony, Hyderabad - 500057, Telangana, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements for the year ended March 31, 2016, and the Reports of the Board of Directors and the Auditors attached thereto.
2. To appoint Director in place of Mr. Vinod Nagnath Kulkarni (DIN: 00713232), Director, who retires by rotation, and who being eligible, offers himself for reappointment.
3. To ratify the appointment of Statutory Auditors & fix their remuneration

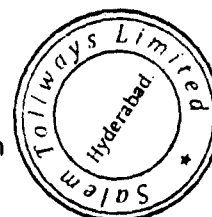
To consider and pass the following resolution with or without modifications as an Ordinary Resolution:

"RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Audit and Auditors) Rules, 2014 ("Rules") (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby ratifies the appointment of M/s Gupta Nayar & Co., Chartered Accountants, (Firm Reg No. 008376N), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company to be held in the year 2017."

By order of the Board of Directors

Place: Hyderabad
Date: May 27, 2016


Balaji Sethuraman
Director
DIN 06874683



NOTES:

1. A MEMBER IS ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

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DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the Eleventh Annual Report together with the Audited accounts of the Company for the year ended March 31, 2016.

Financial results:

The performance of the company for the year ended March 31, 2016 is summarized below:

Particular	INR	
	Year ended March 31, 2016	Year ended March 31, 2015
Gross Revenue	48,78,93,700	45,18,88,333
Profit/(Loss) Before Interest, Depreciation and Tax	9,95,16,125	36,55,14,883
Less: Finance costs	25,33,94,373	28,00,34,164
Less: Depreciation/Amortization	23,78,23,640	11,75,61,009
(Loss)/Profit After Tax	(39,17,01,888)	(3,20,80,290)
Paid up Capital	101,30,31,600	101,30,31,600
Reserves & Surplus	85,56,50,922	124,73,52,810

Review of operations and performance:

During this year, the Company entered it's Sixth year of operations of the Carriageways at Salem Kumarapalayam Section of NH-47 starts from Km. 00.000 to Km 53.000 in the State of Tamilnadu awarded by National Highways Authority of India (NHAI) under "Build Operate and Transfer" (BOT) basis.

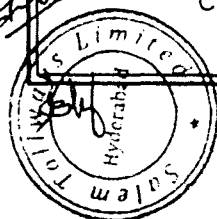
The toll collections during the year registered marginal increase and was recorded at INR 48,77,95,819 with net loss of INR 39,17,01,888 for the year. The corresponding figures for the previous year were INR 45,17,58,097 and 3,20,80,290 respectively.

As of date, Company has repaid Term Loan of INR 49,24,89,034 to Consortium Lenders out of total Term Loan availed of INR 243,00,00,000.

As of date, Company has taken Unsecured Loan of INR 102,82,17,928 from IVRCL Limited, the Holding Company.

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Dividend:

Your Directors regret their inability to recommend dividend on the equity share capital of the Company for the year ended March 31, 2016, in view of the loss for the year under review.

Execution of Share Purchase Agreement:

IVRCL Limited has executed the Letter of Intent (LOI) with the TRIL Roads Private Limited (TRPL) on December 08, 2014, with the intent to extend the definitive agreements, including share purchase agreements, investment agreements and Amendment agreements, executed on March 2013, September 2013 & August 2015 for transfer of 100% stake held by IVRCL Limited in Salem Tollways Limited, Kumarapalayam Tollways Limited and IVRCL Chengapalli Tollways Limited. The Long Stop Date has been extended up to December 31, 2016 or such later date as mutually agreed in writing by Purchaser and the Seller.

Changes in Share Capital:

During the year under review, there was no change in the Authorized Share Capital of the Company

Directors:

In accordance with the provisions of Companies Act, 2013, read with Articles of Association of the Company, Mr. Vinod Nagnath Kulkarni, Director, will retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

a) Number of meetings of the Board:

Five meetings of the board were held during the year on May 28, 2015; May 30, 2015; August 12, 2015; November 18, 2015 & March 01, 2016.

b) Audit Committee:

The company has constituted an audit committee comprising of the following directors:

Name	Status	Category
Smt. Hima Bindu Myneni	Member	Independent Director
Smt. Sree Chandana G.	Member	Independent Director
Mr. Balaji Sethuraman	Member	Non-executive Director

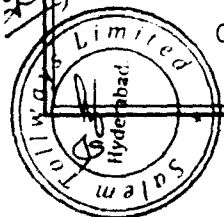
c) Nomination and Remuneration Committee :

The company has constituted a Nomination committee comprising of the following directors:

Name	Status	Category
Smt. Hima Bindu Myneni	Member	Independent Director
Smt. Sree Chandana G.	Member	Independent Director
Mr. Balaji Sethuraman	Member	Non-executive Director

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d) Risk management :

The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

e) Whistle Blower/ Vigil Mechanism:

The Company has formulated a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Companies Act.

Particulars of loans, guarantees and investments :

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

Particulars of Contracts or Arrangements with Related Parties:

The related party transactions disclosed in the financial statements are in ordinary course of business and conducted at arms length as per Section 188(1) of the Companies Act 2013

Board evaluation:

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Companies Act, 2013.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The Board reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc

Auditors:

M/s. Gupta Nayar & Co., Chartered Accountants bearing Registration No. 008376N, was appointed as Statutory Auditors for a term of three years till the conclusion of the Annual General Meeting to be held for the Financial Year 2016-17 subject to ratification of their appointment at every AGM.

Secretarial Auditors' Report:

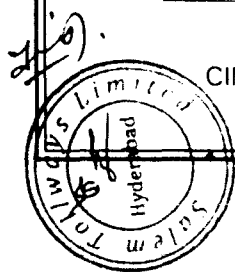
Report of the secretarial auditor is given as an annexure which forms part of this report.

Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo:

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under:

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a) Conservation of Energy:

The requirement of energy for the Company is not substantial. However, the Company is taking adequate steps for conservation of energy wherever possible.

b) R&D, Technology Absorption etc:

The Company continues to use the latest technologies for improving the productivity and quality of operations. The Company's operations do not require significant import of technology.

c) Foreign Exchange Earnings/ Outgo:

Earnings	Nil
Outgo	Nil

Particulars of employees:

In terms of provisions of Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 there are no employees who were in receipt of remuneration of INR 60,00,000 or more per annum or INR 5,00,000 or more per month, during the period under review.

Extract of annual return:

As provided under Section 92(3) of the Act, the extract of annual return is given in Annexure I in the prescribed Form MGT-9, which forms part of this report.

Corporate Social Responsibility (CSR) Policy:

The provisions of the Companies Act, 2013 relating to Corporate Social Responsibility (CSR) Policy do not apply to the company.

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:

There were no reported cases of sexual harassment of women, during the Financial Year.

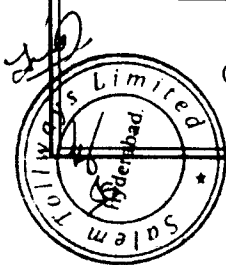
Directors' responsibility statement:

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

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- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and loss of the Company for that year;
- c. they have taken proper and sufficient care for the 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 fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS:

Your Directors wish to express their appreciation of the support and co-operation extended by the National Highways Authority of India (NHAI), Consortium Lenders, Banks, Financial Institutions, Suppliers, Consultants, Associates, Sub Contractors and other clients.

The Directors also wish to thank all the employees for their contribution and continued co-operation throughout the year.

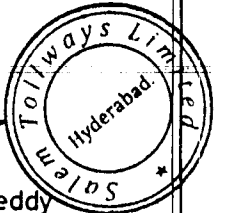
For and on behalf of the Board



Balaji Sethuraman
Director
DIN 06874683



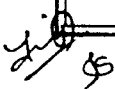
Y. Ch. Siva Reddy
Director
DIN 02489746



Place: Hyderabad
Date : May 27, 2016

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SALEM TOLLWAYS LIMITED

Annexure I

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

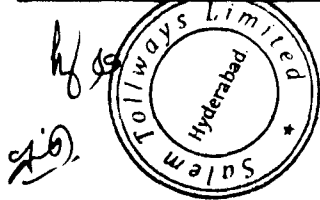
1.	CIN	U45200TG2005PLC047961
2.	Registration Date	11-Jul-05
3.	Name of the Company	SALEM TOLLWAYS LIMITED
4.	Category/Sub-category of the Company	Company Limited by shares / Indian Non-Government Company
5.	Address of the Registered office & contact details	M/-22/3 RT, Vijayanagar Colony, Hyderabad, Telangana-500057 Phone: 040-30931120 Fax: 040-30931122
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited, Karvy Registry House, 8-2-596, St. No. 1, Banjara Hills, Hyderabad - 500 034, India Tel: +91 40 2331 2454 ;Fax: +91 40 2331 1968 ; Email Id : support@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, high ways, bridges, tunnels and subways	42101	100

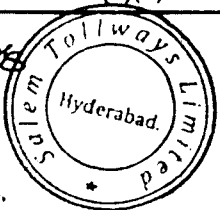
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address of the Company	CIN	HOLDING/SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	IVRCL Limited	U45203DL2005PLC139732	Holding Company	100	2(46)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):
A) Category-wise Share Holding

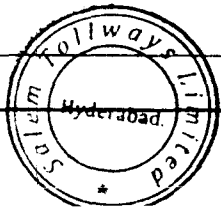
Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	5,13,03,154	6	5,13,03,160	100.00	5,13,03,154	6	5,13,03,160	100.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	5,13,03,154	6	5,13,03,160	100.00	5,13,03,154	6	5,13,03,160	100.00	-
B. Public Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto INR 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of INR 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	5,13,03,154	6	5,13,03,160	100.00	5,13,03,154	6	5,13,03,160	100.00	-

B) Share Holding of the promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
IVRCL Limited	5,13,03,160	100.00	80.70	5,13,03,160	100.00	80.70	0.00



Handwritten initials/signature.

C) Change in Promoters' Shareholding (please specify, if there is no change):

S.No.	Particulars	Shareholding at the beginning of the		Cumulative Shareholding during	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	5,13,03,160	100.00	5,13,03,160	100.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	5,13,03,160	100.00	5,13,03,160	100.00

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

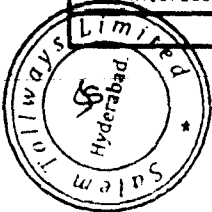
S.No.	For Each of the Top 10 shareholders	Shareholding at the beginning of the		Cumulative Shareholding during	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

E) Shareholding of Directors and Key Managerial Personnel:

S.No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the		Cumulative Shareholding during	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,13,95,63,912	1,02,82,17,928	-	3,16,77,81,840
ii) Interest due but not paid	7,60,83,036	-	-	7,60,83,036
iii) Interest accrued but not due	20,22,992	-	-	20,22,992
Total (i+ii+iii)	2,21,76,69,940	1,02,82,17,928	-	3,24,58,87,868
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	18,82,38,718	-	-	18,82,38,718
Net Change	18,82,38,718	-	-	18,82,38,718
Indebtedness at the end of the financial year				
i) Principal Amount	1,96,88,89,798	1,02,82,17,928	-	2,99,71,07,726
ii) Interest due but not paid	5,85,55,225	-	-	5,85,55,225
iii) Interest accrued but not due	19,86,199	-	-	19,86,199
Total (i+ii+iii)	2,02,94,31,222	1,02,82,17,928	-	3,05,76,49,150



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		No Remuneration was paid to Directors or Key Managerial Personnel during the year 2015-16.	
2	Stock Option			Nil
3	Sweat Equity			Nil
4	Commission - as % of profit - others, specify...			Nil
5	Others, please specify Ceiling as per the Act			Nil

B. Remuneration to other directors:

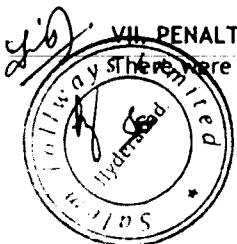
S.No.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors: Fee for attending board committee meetings Commission Others, please specify Total (1)		No Remuneration was paid to any Directors or Key Managerial Personnel during the year 2015-16
2	Other Non-Executive Directors: Fee for attending board committee meetings Commission Others, please specify Total (2)		
	Total (B)=(1+2)		
	Total Managerial remuneration overall ceiling as per the act		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit others, specify...				
5	Others, please specify				
	Total				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016.



GUPTA NAYAR & CO.

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SALEM TOLLWAYS LIMITED
Report on the Financial Statements

We have audited the accompanying financial statements of SALEM TOLLWAYS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and 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 & presentation 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.

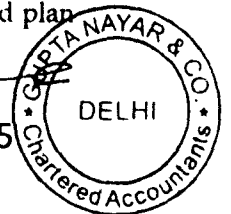
Auditor's Responsibility

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

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CHARTERED ACCOUNTANTS

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

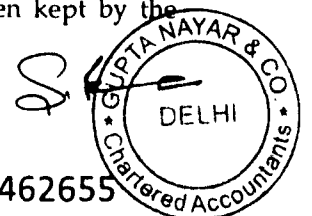
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, 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 give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

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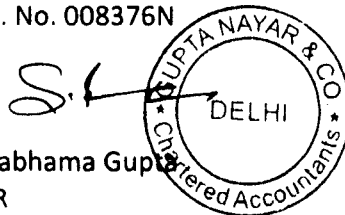


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- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company does not have any pending litigation which would impact its financial position.
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred to the Investor Education and Protection fund by the company

FOR GUPTA NAYAR & CO.
Chartered Accountants
Firm Reg. No. 008376N



Ms. Satyabhama Gupta
PARTNER
Membership No. 073295
Place: Hyderabad
Date: 27/5 .2016

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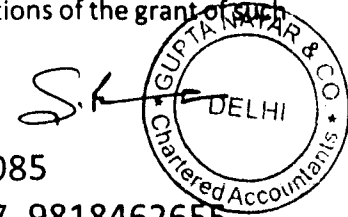
CHARTERED ACCOUNTANTS

Annexure A to the Independent Auditor's Report

The Annexure refer to in the Independent Auditor's Report to the member of the company on the Financial Statement for the year ended 31.3.2016, we report that;

i) In respect of Fixed Assets:

- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As per explained to us , fixed assets of the company have been physically verified by the management during the period pursuant to a programme for physical verification of fixed assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no discrepancies were noticed on such verification.
- c) According to the formation and explanations given to us and on the basis of our examination of the records of the Company, Title deeds of immovable properties are held in the name of the company.
- ii) The Company did not hold any inventory during the year. Accordingly clauses (ii) (a) to (ii) (c) of Para 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iii) The Company has granted unsecured loan to one company covered in the Register maintained under section 189 of the Companies Act. Amount outstanding as at year end is Rs. 10.23 Crore. Maximum amount outstanding during the year is Rs.10.36 Crore.
- (a) According to the formation and explanations given to us and on the basis of our examination of the records of the Company , a unconditionally and irrevocably undertaking to all consoritum banks and IDBI Trusteeship Services Limited of M/s. Kumarapalayam Tollways Limited , that any surplus generated by the company after adjusted all major maintenance provisions and payment of dues will be used to prepay the loans of Kumarapalayam Tollways Limited in accordance with amended and restated in common rupee loan agreement and other financing documents, is given by the company. The amount paid under this undertaking is treated as loan. The terms and conditions of the grant of such loans are not prejudicial to the company's interest;



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(b) In our opinion, and according to the information and explanations given to us during the course of audit , no interest is charged by the company on loan pursuant to subsection 11(a) of section 186 of the companies Act 2013. ; and

© According to the formation and explanations given to us and on the basis of our examination of the records of the Company there is no overdue amount in respect of this loan.

iv) In our opinion and according to the information and explanation given to us, in respect of loans, investments, guarantees, and security , the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

v) The company has not accepted deposits, so the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, are not applicable.

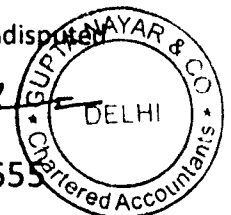
vi) We have broadly reviewed the cost records maintained by the Company in respect of its products pursuant to the order of Central Government for cost records prescribed under sub-section(1) of Section 148 of the Companies Act and are of the opinion that prime facie the prescribed cost records have 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 formation and explanations given to us and on the basis of our examination of the records of the Company, amount deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, , service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, have been generally regularly deposited with the appropriate authorities during the year *except in few cases , where Provident Fund & TDS deposited late.*

According to the information and explanations given to us, no undisputed amounts payable in respect provident fund, employee's state insurance,

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income-tax, sales-tax, , service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues were in arrears as at 31st March 2016 for a period of more than six months from the date they become payable.

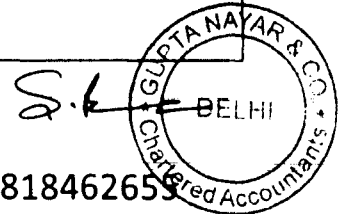
b) According to the information and explanations given to us, and as per the books and records examined by us, there are no material dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited with appropriate authorities on account of any dispute.

viii) According to the records of the company examined by us and information and explanations given to us, ***the Company is in default in repayment dues to financial institution and banks as at the Balance Sheet date.*** Details are as under

Particulars	Amount of default as at the balance sheet date	Period of default	Remarks, if any.
Name of the Lenders: In case of: Bank			
Bank of Baroda	45,18,102.00 (Interest due) 23,33,450.00(Principal due)	31-60 31	Interest is due on Jan 31, 2016 & Feb 29,2016
BANK OF INDIA	46,36,746.00(Interest due) 23,22,116.00(Principal due)	31-60 31	Interest is due on Jan 31, 2016 & Feb 29,2016
CANARA BANK	43,25,416.00 (Interest due) 23,33,450.00(Principal due)	31-60 31	Interest is due on Jan 31, 2016 & Feb 29,2016
INDIAN OVERSEA BANK	28,88,235.00 (Interest due) 23,33,450.00(Principal due)	31 31	Interest is due on Feb 29,2016.
STATE BANK OF TRAVENCORE	43,04,527.00 (Interest due) 23,33,450.00(Principal due)	31-60 31	Interest is due on Jan 31, 2016 & Feb 29,2016
Financial institution IIFCL	11,94,395.00 (Interest due) 22,00,110.00(Principal due)	31 31	Interest is due on Feb 29,2016.

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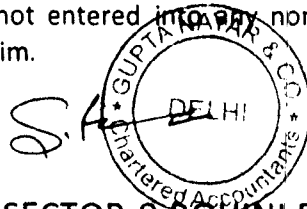
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IDFC	1,58,49,251.00 (Interest due) 18,33,390.00 (Principal due)	(Interest due) 31	31-198 31	Interest is due from Sep-2015 onward.
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The Company has not issued any debentures.

- ix) In our opinion and according to the information and explanation given to us, during the year the company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The term loans were applied for the purposes for which those are raised.
- x) According to the information and explanation given to us, during the year, no material fraud on or by the company has been noticed or reported during the course of our audit.
- xi) According to the information and explanation given to us, during the year managerial remuneration has been provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act .
- xii) In our opinion and according to the information and explanation given to us, the company is not a Nidhi Company
- xiii) In our opinion and according to the information and explanation given to us, during the year the Company all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards;
- (xiv) In our opinion and according to the information and explanation given to us, during the year the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion and according to the information and explanation given to us, during the year the company has not entered into any non-cash transactions with directors or persons connected with him.



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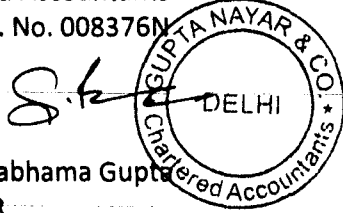
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(xvi) In our opinion and according to the information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

FOR GUPTA NAYAR & CO.

Chartered Accountants

Firm Reg. No. 008376N



Ms. Satyabhama Gupta

PARTNER

Membership No. 073295

Place: Hyderabad

Date: 27.5.2016

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ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SALEM TOLLWAYS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Salem Tollways Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

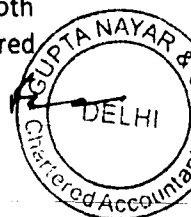
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered

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Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 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.

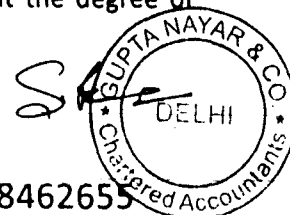
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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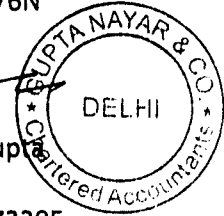
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In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based 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.

FOR GUPTA NAYAR & CO.

Chartered Accountants

Firm Reg. No. 008376N



Ms. Satyabhama Gupta

PARTNER

Membership No. 073295

Place: Hyderabad

Date: 27.5 .2016

SHOP NO.44,C.S.C.NO.6,SECTOR-9,ROHINI,DELHI-110085

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SALEM TOLLWAYS LIMITED

Balance Sheet as at March 31, 2016

INR

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.01	1,01,30,31,600	1,01,30,31,600
Reserves and surplus	2.02	85,56,50,922	1,24,73,52,810
Money received against share warrants			-
Share application money pending allotments			-
Non-current liabilities			
Long-term borrowings	2.03	2,77,62,95,365	2,96,25,23,846
Deferred tax liabilities (net)		-	-
Other Long-term liabilities	2.04	9,84,64,066	9,84,64,066
Long-term provisions	2.05	56,62,07,638	22,35,20,145
Current liabilities			
Short term borrowings		-	-
Trade payables	2.06	37,02,366	42,53,645
Other current liabilities	2.07	28,28,11,839	28,45,54,759
Short-term provisions	2.08	9,63,930	7,87,896
Total		5,59,71,27,726	5,83,44,88,767
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.09	91,83,446	98,69,037
Intangible assets	2.10	5,46,90,89,797	5,70,61,44,831
Capital work in progress		-	-
Intangible assets under development		-	-
Non current investments		-	-
Deferred tax assets (net)		-	-
Long-term loans and advances	2.11	68,71,834	37,67,332
Other non current assets		-	-
Current assets			
Current investments		-	-
Inventories		-	-
Trade receivables		-	-
Cash and bank balances	2.12	45,20,188	32,85,783
Short-term loans and advances	2.13	10,74,62,461	11,14,21,784
Other current assets		-	-
Total		5,59,71,27,726	5,83,44,88,767
Significant accounting policies and notes to financial statements	1 & 2		

The notes referred to above are an integral part of the financial statements

As per our report of even date attached

For GUPTA NAYAR & CO.,

Chartered Accountants

Firm Regn No. 0083729



SATYABHAMA GUPTA

Partner

Membership No. : 073295

Place : Hyderabad

Date : May 27, 2016

For and on behalf of the Board

Balaji Sethuraman

Director

DIN: 06874683

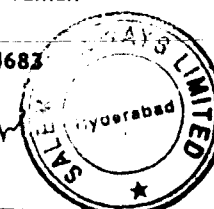
D.P. Mishra

Manager

Y. Ch. Siva Reddy

Director

DIN: 02489746



SALEM TOLLWAYS LIMITED

Statement of Profit and Loss for the year March 31, 2016

INR

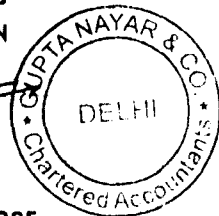
Particulars	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
Income			
Revenue from operations	2.14	48,77,95,816	45,17,58,097
Other income	2.15	97,884	1,30,236
Total Revenue		48,78,93,700	45,18,88,333
Expenses:			
Cost of material consumed		-	-
Purchases of stock in trade		-	-
Changes in inventories in FG, WIP and stock in trade		-	-
Employee benefits expenses	2.16	57,14,250	34,66,664
Finance costs	2.17	25,33,94,373	28,00,34,164
Depreciation / Amortization	2.18	23,78,23,640	11,75,61,009
Other expenses	2.19	38,26,63,325	8,29,06,786
Total Expenses		87,95,95,588	48,39,68,623
Profit before exceptional and extra ordinary items		(39,17,01,888)	(3,20,80,290)
Exceptional Items		-	-
Prior period Item		-	-
Profit before extra ordinary terms and tax		(39,17,01,888)	(3,20,80,290)
Extraordinary Items		-	-
Profit/(loss) before tax		(39,17,01,888)	(3,20,80,290)
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Profit/(loss) for the year		(39,17,01,888)	(3,20,80,290)
Earnings per equity share			
Basic	2.20	(7.64)	(0.63)
Diluted	2.20	(7.64)	(0.63)
Significant accounting policies and notes to financial statements	1 & 2		

The notes referred to above are an integral part of the financial statements

As per our report of even date attached

For GUPTA NAYAR & CO.,
Chartered Accountants
Firm Regn No.008376N

SATYABHAMA GUPTA
Partner
Membership No. : 073295

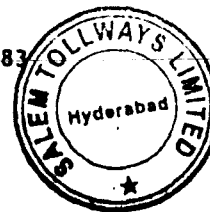


For and on behalf of the Board

Balaji Sethuraman
Director
DIN: 06874683

Y. Ch. Siva Reddy
Director
DIN: 02489746

D.P. Mishra
Manager



Place : Hyderabad
Date : May 27, 2016

SALEM TOLLWAYS LIMITED

Cash flow Statement for the year March 31, 2016

INR

	For the year ended March 31, 2016	For the year ended March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) after tax	(39,17,01,888)	(3,20,80,290)
Adjustment for:		
Depreciation and amortization for the year	23,78,23,640	11,75,61,009
Interest expenses	25,25,65,107	27,95,38,943
Operating profit before working capital changes	9,86,86,859	36,50,19,662
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		
(Increase)/Decrease in short-term loans and advances	39,59,323	(2,36,79,187)
Increase/(Decrease) in current liabilities	(2,83,962)	20,51,088
Increase/(Decrease) in short-term provisions	1,76,034	(2,43,769)
CASH GENERATED FROM OPERATIONS	10,25,38,254	34,31,47,794
Direct taxes paid	-	-
NET CASH GENERATED FROM OPERATIONS	10,25,38,254	34,31,47,794
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(83,015)	(67,060)
(Increase)/Decrease in long-term loans and advances	(31,04,502)	(30,82,491)
Increase/(Decrease) in long-term provisions	34,26,87,493	4,68,75,149
NET CASH GENERATED (USED IN) INVESTING ACTIVITIES	33,94,99,976	4,37,25,598
C. CASHFLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings (net of repayments)	(17,06,74,114)	(11,55,65,510)
Proceeds from unsecured loans (net of repayments)	-	55,00,000
Interest and finance charges paid	(27,01,29,711)	(28,20,59,636)
NET CASH FROM FINANCING ACTIVITIES	(44,08,03,825)	(39,21,25,146)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR	12,34,405	(52,51,754)
Cash and cash equivalents as at April 01, 2015	32,85,783	85,37,537
Cash and cash equivalents as at March 31, 2016	45,20,188	32,85,783
Net Cash Flow	12,34,405	(52,51,754)

Notes

1. Components of Cash & Cash equivalents:

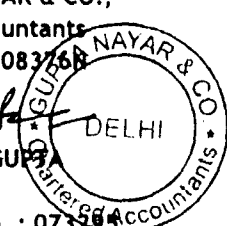
Particulars	As at March 31, 2016	As at March 31, 2015
Balances with current account	24,29,296	13,00,218
Cash on hand	20,90,892	19,85,565
Total	45,20,188	32,85,783

2. The cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

3. Figures in brackets represent cash outflows.

For GUPTA NAYAR & CO.,
Chartered Accountants
Firm Regn No.0083766

S. P. GUPTA
SATYABHAMA GUPTA
Partner
Membership No. : 073264



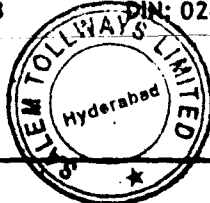
Place : Hyderabad
Date : May 27, 2016

For and on behalf of the Board

Balaji Sethuraman
Director
DIN: 06874683

Y. Ch. Siva Reddy
Director
DIN: 02489746

D. P. Mishra
Manager



SALEM TOLLWAYS LIMITED

Significant accounting policies and notes to financial statements

COMPANY OVERVIEW:

M/s. Salem Tollways Limited (the Company) was set up to undertake all types of Civil, Mechanical, Electrical projects, Road construction and Toll collection on "Build Operate & Transfer" (BOT) basis.

The Company entered into a Concession Agreement (Concession Agreement) with the National Highways Authorities of India (NHAI) on January 20, 2006, for design, engineering, construction operation and maintenance of a highway (Highway Project) 4 laning of Salem Kumarapalayam section of NH-47 from km 00.000 to km 53.000 in the state of Tamilnadu on a "Build, Operate and Transfer" (BOT) basis for a period of 20 years.

The company commenced its commercial operations w.e.f July 1, 2010.

1.00 SIGNIFICANT ACCOUNTING POLICIES:

1.01 Basis of accounting

The Company maintains its accounts on accrual basis following the historical cost convention, except for the revaluation of certain fixed assets, in accordance with generally accepted accounting principles ["GAAP"] in compliance with the provisions of the Companies Act, 2013 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of The Companies (Accounts) Rules, 2014 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and relevant provisions of the Companies Act, 1956 read with the Circular No.07/2014 dated April 1, 2014 of the Ministry of Corporate Affairs. Further, the guidance notes/announcements issued by the Institute of Chartered Accountants of India are also considered, wherever applicable except to the extent where compliance with other statutory promulgations override the same requiring a different treatment.

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a materials adjustment to the carrying amounts of assets or liabilities in future periods.

1.02 Revenue Recognition

Toll fee collection from the users of the facility is accounted for as and when the amount is due and recovery is certain. Revenue from sale of passes to local traffic is accounted for as and when such passes are sold.

Interest Income is recognized on a time proportion basis.

Other items of income are accounted as and when the right to receive arises.

1.03 Fixed Assets

(A) Tangible Assets

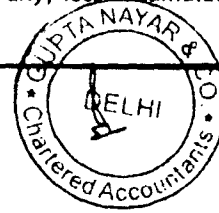
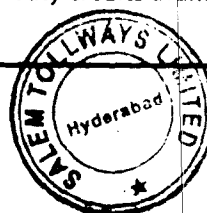
Tangible Fixed Assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment.

Administrative and other general overhead expenses that are specifically attributable to the construction or acquisition of fixed assets, for bringing the fixed asset to working condition are allocated and capitalized as part of cost of fixed asset.

(B) Intangible Assets

Intangible assets are recognized when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and cost of the asset can be measured reliably. Intangible Assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment.

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SALEM TOLLWAYS LIMITED

Significant accounting policies and notes to financial statements

Administrative and other general overhead expenses that are directly attributable to the development or acquisition of intangible assets are allocated and capitalized as part of cost of intangible asset.

Intangible not ready for intended use on the date of balance sheet are disclosed as "Intangible Assets under Development"

Carriageways representing Toll Collection Rights, obtained in consideration for rendering construction, operation and maintenance services in relation to building and maintenance of the project on Build, Operate and Transfer basis. The cost of such Carriage ways comprises construction cost and other

1.04 Depreciation and Amortization

(A) Depreciation

Depreciation on assets has been provided on Straight line basis at the useful lives specified in the Schedule II of the Companies Act, 2013. Depreciation on additions/ deductions is calculated pro-rata from/ to the month of additions/ deductions.

(B) Amortization

Toll collection rights in respect of road projects are amortized over the period of concession using the revenue based amortization method prescribed under Schedule II to the companies Act, 2013. Under the revenue based method, amortization is provided based on the proportion of actual revenue earned till the end of the year to the total projected revenue from the intangible asset expected to be earned over the concession period. Total projected revenue is reviewed at the end of each financial year and is adjusted to reflect the changes in earlier estimate vis-à-vis the actual revenue earned till the end of the year so that the whole of the cost of the intangible assets is amortized over the concession period.

Specialized software is amortized over a period of three years on straight line basis from the month in which the addition is made.

Amortization on impaired assets is provided by adjusting the amortization charges in the remaining periods so as to allocate the assets revised carrying amount over its remaining useful life.

1.05 NHA Grant

Where the Government grant is of the nature of promoters' contributions, i.e., they are given with reference to the total investment in an undertaking or by way of contribution towards its total capital outlay (for example, central investment subsidy scheme) and no repayment is ordinarily expected in respect thereof, the grants are treated as capital reserve (as part of shareholders' fund) which can be neither distributed as dividend nor considered as deferred income.

1.06 Lease

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lesser are classified as operating lease.

1.07 Investments

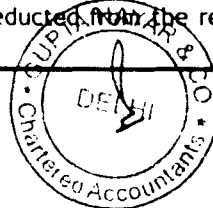
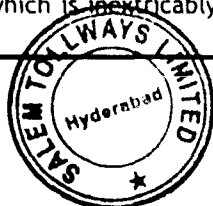
Current Investments are valued at lower of cost or market value.

1.08 Borrowing cost

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

In compliance of AS-16 "Borrowing Cost", income earned on temporary investments, out of funds borrowed, which is inextricably linked with the project, is deducted from the related borrowing costs incurred.

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SALEM TOLLWAYS LIMITED

Significant accounting policies and notes to financial statements

1.09 Impairment of Assets:

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

- The provision for impairment loss, if any required; or
- 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:

- In the case of an individual asset, at the higher of the net selling price and the value in use;
- 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;

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset from its disposal at the end of its useful life).

1.10 Employee Benefits

As per Accounting Standard 15 - "Employee benefits (Revised)" issued by Companies (Accounting Standard) Rules, 2006, Provisions for / contributions to retirement benefit schemes are accounted for as follows:

- Contribution to Provident fund - on actual basis.
- Provision for Gratuity - as per actuarial valuation.
- Provision for Leave Encashment - as per actuarial valuation.

1.11 Taxes

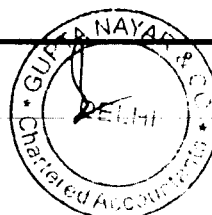
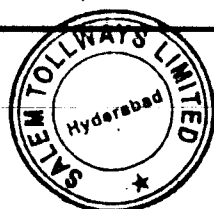
Tax on income for the current year is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

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.

1.12 Foreign Currency Transactions and Derivatives

- The reporting currency of the Company is the Indian Rupee (INR)
- Foreign Currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate on the date of the transaction.
- At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Exchange differences, that arise on settlement of monetary items or on reporting at each Balance sheet date, of monetary items at the closing rate are adjusted in capital work in progress during the construction phase of the project and recognized as income or expense in the operations phase in which they arise.



SALEM TOLLWAYS LIMITED

Significant accounting policies and notes to financial statements

1.13 Contingent liabilities and provisions

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

- The Company has a present obligation as a result of a past event
- A probable outflow of resources is expected to settle the obligation and
- 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.

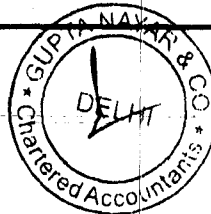
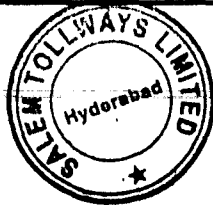
Maintenance Obligations: Contractual obligations to maintain, replace or restore the infrastructure (principally resurfacing costs and major repairs and unscheduled maintenance which are required to maintain the Toll Road in operational condition except for any enhancement element) are recognized and measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provision for the resurfacing is built up in accordance with the provisions of AS 29, Provisions, Contingent Liabilities and Contingent Assets.

Contingent Liability is disclosed in the case of

- 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.
- A possible obligation, unless the probability of outflow of resources is remote.

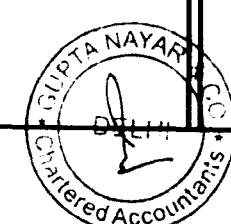
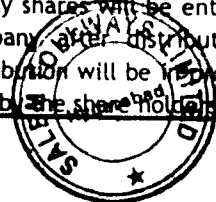
Contingent Assets are neither recognized, not disclosed.

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



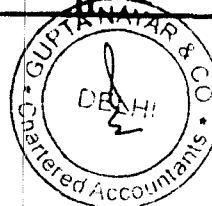
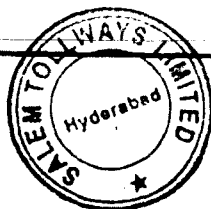
SALEM TOLLWAYS LIMITED
Significant accounting policies and notes to financial statements
2.00 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED
March 31, 2016
INR

Note No.	Particulars	As at March 31, 2016	As at March 31, 2015
2.01	SHARE CAPITAL		
	Authorized 5,15,00,000 (previous year - 5,15,00,000) equity shares of INR 10 each and 50,00,000 (previous year - 50,00,000) preference shares of INR 100 each	1,01,50,00,000	1,01,50,00,000
	Total	1,01,50,00,000	1,01,50,00,000
	Issued, subscribed and fully paid-up		
	(i) Equity: 5,13,03,160 (previous year - 5,13,03,160) equity shares of INR 10 each fully paid up held by IVRCL Limited, holding company and its nominees	51,30,31,600	51,30,31,600
	(ii) Preference : 7% cumulative redeemable preference shares issued and redeemable after 15 years from the date of issue January 7, 2010 50,00,000 (previous year - 50,00,000) preference shares of INR 100 each fully paid up to IVRCL Limited, holding company	50,00,00,000	50,00,00,000
	Total	1,01,30,31,600	1,01,30,31,600
	(A) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:		
	(i) Equity shares (Nos.)		
	At the beginning of the year	5,13,03,160	5,13,03,160
	Issued during the year	-	-
	Outstanding at the end of the year	5,13,03,160	5,13,03,160
	Equity shares (INR)		
	At the beginning of the year	51,30,31,600	51,30,31,600
	Issued during the year	-	-
	Outstanding at the end of the year	51,30,31,600	51,30,31,600
	(ii) Preference Shares (Nos.)		
	At the beginning of the year	50,00,000	50,00,000
	Issued during the year	-	-
	Outstanding at the end of the year	50,00,000	50,00,000
	Preference Shares (INR)		
	At the beginning of the year	50,00,00,000	50,00,00,000
	Issued during the year	-	-
	Outstanding at the end of the year	50,00,00,000	50,00,00,000
	(B) Terms/rights attached to shares		
	The company has two classes of shares i.e., equity and preference having a par value of INR 10 per share with premium of INR 15 per share for equity and INR 100 per share of Preference shares. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.		
	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 all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.		



SALEM TOLLWAYS LIMITED
Significant accounting policies and notes to financial statements
INR

Note No.	Particulars	As at March 31, 2016	As at March 31, 2015
	(C) Shares held by holding company: Out of equity and preference shares issued by the company, shares held by its holding company are as below.		
	(i) Equity: IVRCL Limited, holding company & its nominees (Nos)	5,13,03,160	5,13,03,160
	(ii) Preference: IVRCL Limited, holding company (Nos)	50,00,000	50,00,000
	(D) Details of shareholders holding more than 5% shares in the company:		
	(i) Equity: IVRCL Limited, holding company & its nominees % of holding	5,13,03,160 100.00	5,13,03,160 100.00
	(ii) Preference: IVRCL Limited, holding company % of holding	50,00,000 100.00	50,00,000 100.00
2.02	RESERVES AND SURPLUS		
	(A) Capital reserve Balance as per the last financial statements Add: received during the year Outstanding at the end of the year	1,29,00,00,000 - 1,29,00,00,000	1,29,00,00,000 - 1,29,00,00,000
	As per Clause 23.1 of the Concession Agreement, Grant received from NHAI for meeting the cost of the project is in the nature of equity support and has been treated as part of shareholder's fund. Accordingly INR 129,00,00,000 received as grant from NHAI has been accounted as Capital Reserve.		
	(B) Securities premium account Balance as per the last financial statements Add: premium on issue of equity shares Outstanding at the end of the year	76,87,97,400 - 76,87,97,400	76,87,97,400 - 76,87,97,400
	The securities Premium account is credited with INR 76,87,97,400 being the premium collected on issue of 5,12,53,160 equity shares @ INR 15 per share.		
	(C) Surplus/(deficit) in the statement of profit and loss Balance as per last financial statements Profit/(Loss) for the year Add: Depreciation Adjustment as per Companies Act-2013 Outstanding at the end of the year	(81,14,44,590) (39,17,01,888) - (1,20,31,46,478)	(77,90,16,803) (3,20,80,290) (3,47,497) (81,14,44,590)
	Total (A+B+C)	85,56,50,922	1,24,73,52,810

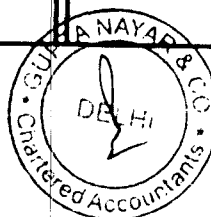
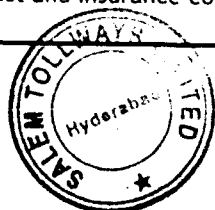


SALEM TOLLWAYS LIMITED

Significant accounting policies and notes to financial statements

INR

Note No.	Particulars	As at March 31, 2016	As at March 31, 2015
2.03	LONG-TERM BORROWINGS		
	(A) Term loans		
	From banks (Secured)	1,24,30,60,177	1,38,39,69,878
	From financial institutions (Secured)	50,50,17,260	55,03,36,040
	Sub total - (A)	1,74,80,77,437	1,93,43,05,918
	Default as on March 31, 2016 in repayment of principal and payment of Interest on above loans		
	A) Principal		
	Due date is February 29, 2016 - Period of defaults - 31 days - INR 1,56,89,416 (Previous year - INR 1,36,64,334)		
	B) Interest		
	Due date is September 15, 2015 - Period of defaults - 198 days - INR 3,59,285 (Previous year - INR Nil)		
	Due date is October 15, 2015 - Period of defaults - 168 days - INR 12,97,073 (Previous year - INR Nil)		
	Due date is November 15, 2015 - Period of defaults - 137 days - INR 13,49,094 (Previous year - INR Nil)		
	Due date is December 15, 2015 - Period of defaults - 107 days - INR 21,46,089 (Previous year - INR Nil)		
	Due date is January 15, 2016 - Period of defaults - 76 days - INR 36,55,108 (Previous year - INR 37,60,569)		
	Due date is January 31, 2016 - Period of defaults - 60 days - INR 65,93,894 (Previous year - INR 1,93,19,033)		
	Due date is February 15, 2016 - Period of defaults - 45 days - INR 36,42,032 (Previous year - INR 37,33,644)		
	Due date is February 29, 2016 - Period of defaults - 31 days - INR 1,52,73,545 (Previous year - INR 1,73,68,239)		
	Due date is March 15, 2016 - Period of defaults - 16 days - INR 34,00,570 (Previous year - INR 37,03,848)		
	(i) Security terms : The term loan is secured by pari passu first charge on all the borrowers immovable properties present and future and intangible assets, movables, machineries, spares, tools and accessories, furniture and fixtures, vehicles, all other movable assets(present & future), operating cash flows, book debts, receivables including grant, revenue shortfall loan to be received from NHAI and any other revenues relating to 4 laning of Salem kumarapalayam Chengapalli section of NH-47 from km 0 to km 53 in the state of Tamil Nadu on BOT Toll basis, Borrowers bank account, Escrow Account, DSRA and each of any other accounts required to be created by the Borrower under any Project document or contract and insurance contracts.		



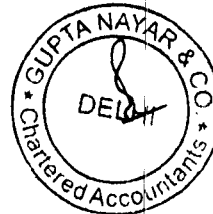
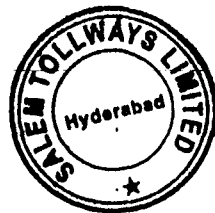
SALEM TOLLWAYS LIMITED

Significant accounting policies and notes to financial statements

INR

Note No.	Particulars	As at March 31, 2016	As at March 31, 2015
	<p>(ii) Terms of Interest : Interest payable to lenders on monthly basis. The interest rates shall be subject to annual reset.</p> <p>(iii) Terms of repayment : Total Senior Debt was availed of INR 2,22,83,00,000 and repayment of the loan was started from August 31, 2010 with total 138 unequal monthly installments ranging from INR 18,56,174 to INR 3,24,95,299 and the Sub Debt was availed of INR 20,00,00,000 and repayment of loan was started from February 28, 2011 with total 156 unequal monthly installments ranging from INR 1,66,600 to INR 21.66.660.</p> <p>(B) Loans and advances from related parties From IVRCL Limited, holding company (Unsecured)</p> <p style="text-align: center;">Sub total - (B)</p> <p>Unsecured loan is taken from the holding company and is in the nature of sponsor support for implementation of the project. There is no stipulation as to interest there on. The amount is repayable after due discharge of all secured lenders' liability.</p> <p style="text-align: center;">Total (A)+(B)</p>		
		1,02,82,17,928	1,02,82,17,928
		1,02,82,17,928	1,02,82,17,928
		2,77,62,95,365	2,96,25,23,846

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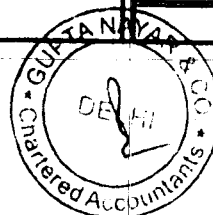
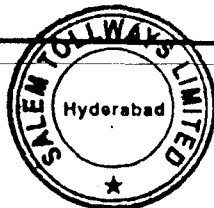


SALEM TOLLWAYS LIMITED

Significant accounting policies and notes to financial statements

INR

Note No.	Particulars	As at March 31, 2016	As at March 31, 2015
2.04	<u>OTHER LONG-TERM LIABILITIES</u>		
	Claims payable to NHAI	9,84,64,066	9,84,64,066
	Total	9,84,64,066	9,84,64,066
2.05	<u>LONG-TERM PROVISIONS</u>		
	Provision for gratuity	5,36,330	3,50,499
	Provision for resurfacing (refer note)	56,56,71,308	22,31,69,646
	Total	56,62,07,638	22,35,20,145
	Note:		
	Provision for resurfacing has been provided in accounts in terms of clause 2.6.1 (a) (i) of Schedule L of Concession Agreement read with AS-29 Provisions, Contingent Liabilities and Contingent Assets, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. (refer to note 2.32)		
2.06	<u>TRADE PAYABLES</u>		
	Dues to contractors	32,94,671	40,48,864
	Dues to consultants	4,07,695	2,04,781
	Total	37,02,366	42,53,645
2.07	<u>OTHER CURRENT LIABILITIES</u>		
	Current maturities of long term borrowings	22,08,12,361	20,52,57,994
	Interest accrued but not due on borrowings	19,86,199	20,22,992
	Interest accrued and due on borrowings	5,85,55,225	7,60,83,036
	Dues to employees	1,98,307	1,38,849
	Dues to auditors	2,71,700	1,99,602
	Statutory liabilities	1,51,612	2,05,407
	Other payables		
	Interest free deposits from customers	3,42,200	2,79,100
	Concession fee payable	1	1
	Provision for expenses	4,94,234	3,67,778
	Total	28,28,11,839	28,45,54,759
2.08	<u>SHORT-TERM PROVISIONS</u>		
	Provision for sick leaves	1,88,477	99,094
	Provision for leave benefits	3,88,221	2,41,817
	Employee benefits payable	3,87,232	4,46,985
	Total	9,63,930	7,87,896



SALEM TOLLWAYS LIMITED

Significant accounting policies and notes to financial statements

2.09 TANGIBLE ASSETS

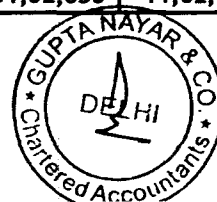
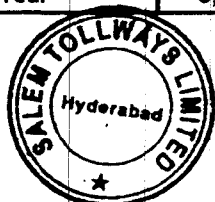
INR

Name of the Asset	Gross Block			Depreciation			Net carrying value		
	As at April 1, 2015	Additions during the year	As at March 31, 2016	As at March 31, 2015	For the year	Transfer to General Reserve	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Assets:									
Land Free Hold	77,70,367	-	77,70,367	-	-	-	-	77,70,367	77,70,367
Furniture	1,83,955	3,740	1,87,695	1,41,476	18,716	-	1,60,192	27,503	42,479
Computers	6,14,490	-	6,14,490	6,03,010	11,480	-	6,14,490	0	11,480
Office Equipment	15,99,922	30,977	16,30,899	15,21,694	74,827	-	15,96,521	34,378	78,228
Plant and Machinery	74,214	48,298	1,22,512	20,158	7,192	-	27,350	95,162	54,056
Vehicles	31,83,382	-	31,83,382	12,70,955	6,56,391	-	19,27,346	12,56,036	19,12,427
Total	1,34,26,330	83,015	1,35,09,345	35,57,293	7,68,606	-	43,25,899	91,83,446	98,69,037
Previous Year	1,33,59,270	67,060	1,34,26,330	19,11,539	12,98,257	3,47,497	35,57,293	98,69,037	1,14,47,731

2.10 INTANGIBLE ASSETS

INR

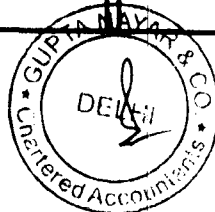
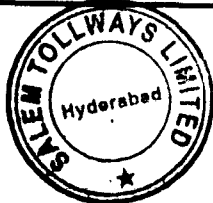
Name of the Asset	Gross Block			Amortization			Net carrying value		
	As at April 1, 2015	Additions during the year	As at March 31, 2016	As at March 31, 2015	For the year	Transfer to General Reserve	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Intangible Assets:									
Carriageways	6,54,55,10,218	-	6,54,55,10,218	83,93,65,387	23,70,55,034	-	1,07,64,20,421	5,46,90,89,797	5,70,61,44,831
Total	6,54,55,10,218	-	6,54,55,10,218	83,93,65,387	23,70,55,034	-	1,07,64,20,421	5,46,90,89,797	5,70,61,44,831
Previous Year	6,54,55,10,218	-	6,54,55,10,218	72,31,02,635	11,62,62,752	-	83,93,65,387	5,70,61,44,831	5,82,24,07,583



SALEM TOLLWAYS LIMITED**Significant accounting policies and notes to financial statements**

INR

Note No.	Particulars	As at March 31, 2016	As at March 31, 2015
2.11	<u>LONG-TERM LOANS AND ADVANCES</u>		
	Unsecured, considered good		
	Deposits with Govt., authorities	12,88,257	8,55,856
	Advance for ETC works	55,73,577	29,01,476
	Others	10,000	10,000
	Total	68,71,834	37,67,332
2.12	<u>CASH AND BANK BALANCES</u>		
	(A) Cash and cash equivalents		
	Balances with banks :		
	On current accounts	24,29,296	13,00,218
	Cash on hand	20,90,892	19,85,565
	Sub total	45,20,188	32,85,783
	(B) Other bank balances	-	-
	Total (A+B)	45,20,188	32,85,783
2.13	<u>SHORT-TERM LOANS AND ADVANCES</u>		
	Unsecured, considered good		
	Advances to suppliers	2,821	-
	Advances to related parties	10,47,38,829	10,87,06,324
	Advances to employees	-	230
	TDS receivable	6,24,448	6,16,174
	Prepaid expenses	9,42,357	9,45,050
	Balances with statutory / Govt. authorities	11,54,006	11,54,006
	Total	10,74,62,461	11,14,21,784

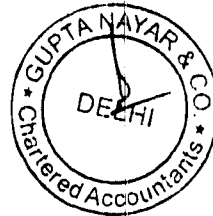
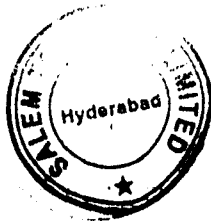


SALEM TOLLWAYS LIMITED**Significant accounting policies and notes to financial statements**

INR

Note No.	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
2.14	REVENUE FROM OPERATIONS		
	Revenue from Toll operations	48,77,95,816	45,17,58,097
	Total	48,77,95,816	45,17,58,097
2.15	OTHER INCOME		
	Interest on electricity deposits	96,685	1,30,236
	Others	1,199	-
	Total	97,884	1,30,236

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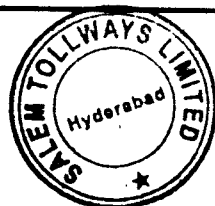
SALEM TOLLWAYS LIMITED

Significant accounting policies and notes to financial statements

INR

Note No.	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
2.16	<u>EMPLOYEE BENEFITS EXPENSES</u>		
	Salaries & other benefits	53,45,145	30,32,324
	Contribution to provident funds	1,67,171	1,62,665
	Staff welfare expenses	2,01,934	2,71,675
	Total	57,14,250	34,66,664
2.17	<u>FINANCE COSTS</u>		
	Interest on term loans	25,25,65,107	27,95,38,943
	Bank charges	8,29,266	4,95,221
	Total	25,33,94,373	28,00,34,164
2.18	<u>DEPRECIATION / AMORTISATION</u>		
	Depreciation	7,68,606	12,98,257
	Amortization	23,70,55,034	11,62,62,752
	Total	23,78,23,640	11,75,61,009
2.19	<u>OTHER EXPENSES</u>		
	<u>(A) OPERATION & MAINTENANCE EXPENSES</u>		
	Road maintenance	1,87,57,340	1,45,83,177
	Toll plaza maintenance	36,683	15,83,100
	Manpower services	34,89,050	43,32,891
	Resurfacing expenses	34,25,01,662	4,69,83,084
	AMC Charges	38,28,216	18,87,648
	Electricity charges	29,86,082	30,24,829
	Insurance	13,58,880	13,41,283
	Vehicle maintenance	9,52,850	10,58,995
	Vehicle hire charges	12,43,783	8,79,800
	Cash collection charges	3,32,746	3,24,906
	Watch & ward expenses	8,63,961	8,60,496
	N.M.R.payments	16,63,612	14,31,268
	Generator Maintenance	83,412	1,33,760
	Others	4,35,457	6,68,354
	Sub total - A	37,85,33,734	7,90,93,591

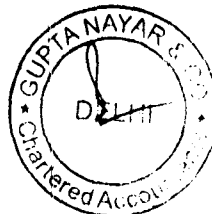
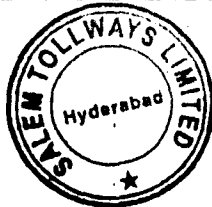
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SALEM TOLLWAYS LIMITED**Significant accounting policies and notes to financial statements**

INR

Note No.	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	<u>(B) LEGAL & PROFESSIONAL CHARGES</u>		
	Professional charges	12,40,673	13,06,986
	Consultancy charges	11,54,271	10,41,256
	Sub total - B	23,94,944	23,48,242
	<u>(C) OTHERS</u>		
	Concession fee	1	1
	Auditors remuneration		
	- Audit fee	3,06,298	1,68,540
	- Tax audit fee	68,700	50,562
	- Other services (certification fee)	28,500	28,090
	- Reimbursement of expenses	11,400	5,618
	Other expenses	13,19,748	12,12,142
	Sub total - C	17,34,647	14,64,953
	Total - (A+B+C)	38,26,63,325	8,29,06,786
2.20	<u>EARNINGS PER EQUITY SHARE</u>		
	Profit/ (loss) for the year	(39,17,01,888)	(3,20,80,290)
	Number of equity shares	5,13,03,160	5,13,03,160
	Basic	(7.64)	(0.63)
	Diluted	(7.64)	(0.63)



SALEM TOLLWAYS LIMITED**Significant accounting policies and notes to financial statements**

2.21 There have been no reported transactions during the period with Micro and Small Enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006. Hence reporting details of principal and interest does not arise.

2.22 Amortization of the intangible asset (Toll Road- Carriage ways), calculated as per amended Schedule II to the Companies Act, 2013, amounting to INR 23,70,55,034 (Previous year - INR 11,62,62,752) has been duly charged to Statement of Profit & Loss for the year ended March 31, 2016.

2.23 Tax expense

The Company does not have taxable income and hence no provision for current tax has been made. The Company is eligible for deduction under section 80IA of the Income Tax Act and the concession period of the Company's project falls within the tax holiday period 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.

2.24 Contingent liabilities (not provided for)

A. Possible claim by NHAI towards negative variation in the work due to change of scope - INR 2,29,92,024 (Previous Year - INR 2,29,92,024)

B. Arrears of cumulative preference dividend of INR 26,18,74,066 (including Dividend Distribution Tax @ 19.99%) (Previous year - INR 21,42,77,144).

2.25 Employee Benefits**A. Gratuity**

This is a defined benefit plan the liability for which is determined on the basis of actuarial valuation.

B. Accounting policy for recognizing actuarial gains and losses.

Immediate recognition in the Statement of Profit and Loss.

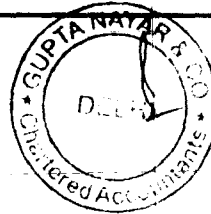
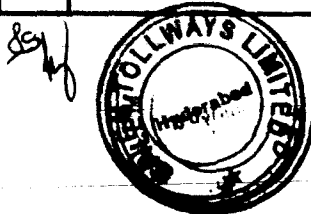
C. The scheme provides for a lump sum benefit, subject to a vesting period of 5 years in case of early separation, based on final salary and years of service

D. Actuarial Valuation method: Projected Unit Credit

E. **Leave Benefits:** Leave benefit to employees is considered a short term liability which is determined in accordance with AS (15) - Employee Benefits

Disclosure required in accordance with the AS-15

Particulars	INR	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Gratuity		
No. of employees	7	6
Salary	99,190	84,596
Actuarial liability	5,36,330	3,50,499
Leave encashment		
No. of employees	7	6
Salary	99,190	84,596
Actuarial liability	3,88,221	2,41,817



SALEM TOLLWAYS LIMITED**Significant accounting policies and notes to financial statements****2.26 Related party disclosure**

List of related parties and relationship

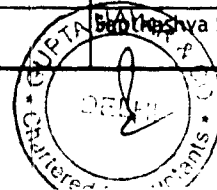
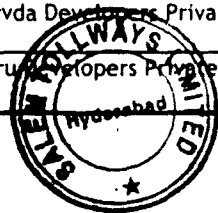
A. Holding company

IVRCL Limited

B. Fellow subsidiary companies (The ownership, directly or indirectly through subsidiary (ies))

S.No.	Name of the subsidiary	S.No.	Name of the subsidiary
1	IVRCL PSC Pipes Limited	2	RIHIM Developers Private Limited
3	IVRCL TLT Private Limited	4	Chodavaram Developers Private Limited
5	IVRCL Steel Construction & Services Limited	6	Gajuwaka Developers Private Limited
7	IVRCL Cadagua Hogenakkal Water Treatment Company Private Limited	8	IVR Prime Developers (Amalapuram) Private Limited
9	IVRCL Lanka (Private) Limited - Foreign Company	10	IVR Prime Developers (Araku) Private Limited
11	IVR Enviro Projects Private Limited	12	IVR Prime Developers (Erode) Private Limited
13	IVRCL Solar Energy Private Limited	14	IVR Prime Developers (Guntur) Private Limited
15	IVRCL Building Products Limited	16	IVR Vaanaprastha Private Limited
17	IVR Prime Developers (Guindy) Private Limited	18	IVR PUDL Resorts & Clubs Private Limited
19	IVR Prime Developers (Palakkad) Private Limited	20	Simhachalam Prime Developers Private Limited
21	SPB Developers Private Limited	22	Siripuram Developers Private Limited
23	Chennai Water Desalination Limited	24	IVRCL Megamalls Limited
25	Kumarapalayam Tollways Limited	26	Tirumani Developers Private Limited
27	IVRCL Chandrapur Tollways Limited	28	Annupampattu Developers Private Limited
29	IVRCL Indore Gujarat Tollways Limited	30	Samatteri Developers Private Limited
31	IVRCL Gundugolanu Rajahmundry Tollways Limited	32	Agaram Developers Private Limited
33	Chengapalli Road Infra Private Limited	34	Ilavampedu Developers Private Limited
35	IVRCL Chandrapur Tollways Limited	36	Mummididi Developers Private Limited
37	HDO Zambia Limited	38	HDO (UK) Limited
39	IVRCL Raipur-Bilaspur Tollways Limited	40	IVR Prime Developers (Adayar) Private Limited
41	IVRCL Narnaul Bhiwani Tollways Limited	42	IVR Prime Developers (Egmore) Private Limited
43	IVRCL Chengapalli Tollways Limited	44	Absorption Aircon Engineer Private Limited
45	IVRCL Patiala Bathinda Tollways Limited	46	IVR Prime Developers (Bhimavaram) Private Limited
47	First STP Private Limited	48	IVR Prime Developers (Bobbili) Private Limited
49	Alkor Petroo Limited	50	IVR Prime Developers (Red Hills) Private Limited
51	IVRCL Patalaganga Truck Terminals Private Limited	52	IVR Prime Developers (Tuni) Private Limited
53	IVR Hotels and Resorts Limited	54	IVR Prime Developers (Tambaram) Private Limited
55	Duvvda Developers Private Limited	56	Bibinagar Developers Private Limited
57	Eluru Developers Private Limited	58	Eluru Developers Private Limited

SSM



SALEM TOLLWAYS LIMITED**Significant accounting policies and notes to financial statements**

59	Geo Prime Developers Private Limited	60	Rudravaram Developers Private Limited
61	Kasibugga Developers Private Limited	62	Theata Developers Private Limited
63	Vedurwada Developers Private Limited	64	Kunnam Developers Private Limited
65	Vijayawada Developers Private Limited	66	Geo IVRCL Engineering Limited
67	Hindustan Dorr Oliver Limited	68	Davymarkham India Private Limited
69	HDO Technologies Limited	70	IVRCL Goa Tollways Limited *
71	IVRCL Multilevel Car Parking Private Limited *		

* Applied for closure under Fast Track Exit (FTE) scheme with Registrar of Companies.

C. Associates of Holding Company:

S.No	Name of the associate
1	Sushee IVRCL Arunachal Highways Limited
2	Viva Infrastructures Private Limited
3	Paresh Infrastructure Private Limited
4	IVRCL International Infrastructures & Projects Limited

D. The Following are the details of transactions with IVRCL Limited, holding company:

INR			
S. No.	Particulars	During the year ended March 31, 2016	During the year ended March 31, 2015
1	Expenses reimbursed	42,60,000	63,51,611

S. No.	Balance outstanding	As at March 31, 2016	As at March 31, 2015
1	Unsecured Loan - Cr / (Dr)	1,02,82,17,928	1,02,82,17,928
2	Dues to expenses - Cr / (Dr)	(24,38,829)	(51,56,324)

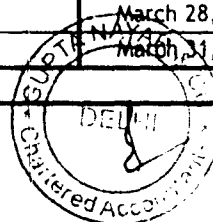
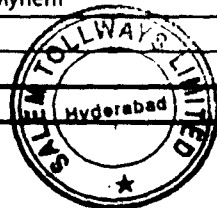
E. The Following are the details of transactions with Subsidiary of IVRCL Limited, holding company M/s.Kumarapalayam Tollways Limited:

INR			
S. No.	Particulars	During the year ended March 31, 2016	During the year ended March 31, 2015
1	Advance given - Cr / (Dr)	12,50,000	2,04,50,000

S. No.	Balance outstanding	As at March 31, 2016	As at March 31, 2015
1	Advance given - Cr/ (Dr)	(10,23,00,000)	(10,35,50,000)

F. Key management personnel:

S. No.	Name of the official	Designation	Date of Appointment	Date of Resignation
1	Mr. Y.Ch. Siva Reddy	Director	September 10, 2009	-
2	Mr. Vinod Nagnath Kulkarni	Director	January 9, 2006	-
3	Mr. Balaji Sethuraman	Director	May 15, 2014	-
4	Mr. Sree Chandana Gorte	Independent Director	March 31, 2015	-
5	Ms.Hima Bindu Myneni	Independent Director	March 31, 2015	-
6	Mr.D. P. Mishra	Manager	March 28, 2014	-
7	Mr.D. P. Mishra	CFO	March 31, 2015	-



SALEM TOLLWAYS LIMITED**Significant accounting policies and notes to financial statements****Managerial Remuneration for Key Management Personnel**

Name of the official	Amount in INR
Mr.D.P.Mishra	2,40,284

Sitting Fee

Name of the Director	Amount in INR
Mr. Sree Chandana Gorle	10,000
Ms.Hima Bindu Myneni	10,000

2.27 Segment Reporting

The Company is engaged only in the business of Constructing and Operating the BOT Project. Further, the Company is carrying its business in only one geographical segment.

2.28 The Company has provided unconditionally and irrevocably undertaking to all consortium banks and IDBI Trusteeship Services Limited of M/s. Kumarapalayam Tollways Limited, that any surplus generated by this company will be used to prepay the loans of Kumarapalayam Tollways Limited in accordance with amended and restated in common rupee loan agreement and other financing documents. The surplus generated by the company will be after adjusted all major maintenance provisions and payment of dues.

2.29 Impairment of Assets

Based on a review of the future discounted cash flows, the recoverable amount of the project facility is more than its carrying amount. Accordingly, no provision for impairment is made for in the accounts.

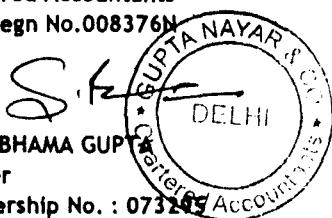
2.30 Additional Information

A. Expenditure in Foreign Currency Nil
 B. CIF value of import Nil
 C. FOB Value of Export Nil

2.31 Figures for the previous year have been regrouped / reclassified wherever necessary.

2.32 Refer to note no 2.05 and note no 2.19 (A) in respect of provision of Resurfacing Expenses, Company was making the provision of resurfacing expenses in earlier years which is to be incurred after 5th year of COD i.e. July 01, 2015 in term of clause 2.6.1 of Schedule L of concession agreement. Total amount provided in accounts till March 31, 2015 was INR 22,31,69,646. However the company had re-assessed the estimation of expenses of Resurfacing amounting INR 47,47,78,625 upto June 30, 2015. A short provision till June 30, 2015 amounting INR 23,98,63,208 is debited to statement of Profit & Loss. Further based on the new estimated cost, Provision of resurfacing has been made for the balance 9 months of financial year 2015-2016, which is to be incurred in future. There is Nil utilization of provision during the year (Previous year Nil).

For GUPTA NAYAR & CO.,
 Chartered Accountants
 Firm Regn No.008376N



Satyabhama Gupta
 Partner
 Membership No. : 073269

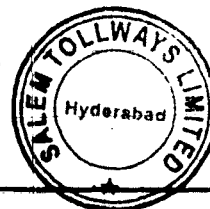
For and on behalf of the Board

Balaji Sethuraman
 Director
 DIN: 06874683

Y. Ch. Siva Reddy
 Director
 DIN: 02489746

Place : Hyderabad
 Date : May 27, 2016

D.P Mishra
 Manager



5