



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BARAMATI AIRPORT PRIVATE LIMITED**

Report on the Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

2. The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; 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

3. Our responsibility is to express an opinion on these Standalone Financial statements based on our audit.

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

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

4. 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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.

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its losses and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure - "A" a statement on the matters specified in paragraphs 3 and 4 of the order.
8. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 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, we give 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) Based on the assessment made by the company, the company does not have any pending litigations which would have a material impact its financial position.
 - ii) Based upon the assessment made by the company, there are no material foreseeable losses on its long term contracts that may require any provisioning
 - iii) In view of there being no amounts required to be transferred to the Investor Education and Protection Fund for the year under audit the reporting under this clause is not applicable.

For MKPS & Associates
Chartered Accountants
FRN 302014E

C.A Narendra Khandal
Partner
M No. 065025

Mumbai, May 14, 2016

Annexure – A to the Independent Auditors Report

Referred to in para 7 of our report of even date, to the members of Baramati Airport Private Limited for the year ended March 31, 2016

- i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.
(b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
(c) The company doesn't have any land as its fixed assets.
- ii) In our opinion, and according to the information and explanations given to us, the company has sub-contracted the entire construction / operation activities and therefore does not carry any inventories. Hence, the reporting requirements under clause (ii) of paragraph 3 of the order are not applicable.
- iii) In our opinion and according to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the reporting requirements under sub-clause (a), (b) and (c) of Clause (iii) of paragraph 3 of the order are not applicable.
- iv) In our opinion and according to the information and explanation given to us, In respect of loans, investments and guarantees, the company has complied with the provisions of Section 185 and 186 of the Act.
- v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the period under audit. Consequently, the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 of the Act and the rules framed thereunder are not applicable.
- vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Act for the company. Hence, the reporting requirements under Clause (vi) of paragraph 3 of the order are not applicable.
- vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues including provident fund, employees' 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, with the appropriate authorities in India.
According to the information and explanations given to us, there are no undisputed amounts in respect of the aforesaid statutory dues which in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no applicable statutory dues which have not been deposited on account of any dispute.

- viii) In view of there being no loans from banks / financial institution / government and there being no debentures issued by the company as at the balance sheet date, the reporting requirements under Clause (viii) of paragraph 3 of the order are not applicable.
- ix) In view of no term loans being availed by the company, the reporting requirements under clause (ix) of paragraph 3 of the order are not applicable.
- x) Based on the audit procedures performed by us for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi) According to the information and explanations given to us, the company has not paid any managerial remuneration during the year and hence the reporting requirements under clause (xi) of paragraph 3 of the order are not applicable.
- xii) The company is not a Nidhi Company and hence the reporting requirements under clause (xii) of paragraph 3 of the order are not applicable.
- xiii) According to the information and explanations given to us, all transactions entered into by the company with related parties are in compliance with section 177 and 178 of the Act where applicable and the details thereof have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.
- xv) As per the information and explanations provided to us, the company has not entered into any non-cash transactions with directors or persons connected with them.
- xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45 - IA of the Reserve Bank of India, 1934.

For MKPS & Associates
Chartered Accountants
FRN 302014E

CA Narendra Khandal
Partner
M No. 065025

Mumbai, May 14, 2016

**Annexure - B to the Independent Auditors Report
Referred to in para 8 of our report of even date, to the members of Baramati Airport Private Limited for the year ended March 31, 2016**

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 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 MKPS & Associates
Chartered Accountants
FRN 302014E

CA Narendra Khandal
Partner
M No. 065025

Mumbai, May 14, 2016

BARAMATI AIRPORT PRIVATE LIMITED

**ACCOUNTS FOR
THE FY 2015 - 2016**

Baramati Airport Private Limited
Balance Sheet as at 31st March 2016

Particulars	Note No.	As at 31st March 2016		As at 31st March 2015	
		₹		₹	
I. EQUITY AND LIABILITIES					
Shareholders' Funds					
Share capital	2.1	2,13,35,100		2,13,35,100	
Reserves and surplus	2.2	<u>13,53,53,871</u>	15,66,88,971	<u>16,46,65,400</u>	18,60,00,500
Non-Current Liabilities					
Long-term borrowings	2.3	<u>9,84,41,798</u>	9,84,41,798	<u>7,12,41,798</u>	7,12,41,798
Current Liabilities					
Trade payables	2.4	1,81,87,964		62,62,343	
Other current liabilities	2.5	<u>4,37,401</u>	1,86,25,365	<u>7,127</u>	62,69,470
Total			<u><u>27,37,56,134</u></u>		<u><u>26,35,11,768</u></u>
II. ASSETS					
Non-current assets					
Fixed Assets					
Tangible assets	2.6	34,67,602		45,22,879	
Intangible assets		<u>25,15,88,400</u>	25,50,56,002	<u>25,44,31,198</u>	25,89,54,077
Long-term loans and advances	2.7		7,375		7,57,375
Current Assets					
Current investments	2.8		22,58,128		26,95,371
Trade receivables	2.9		6,73,261		7,69,716
Cash and cash equivalents	2.10		1,33,65,867		22,774
Short-term loans and advances	2.11		23,95,501		3,12,455
Total			<u><u>27,37,56,134</u></u>		<u><u>26,35,11,768</u></u>

Significant Accounting Policies and Notes on Financial Statements 1 & 2

As per our Report of even date.

For M K P S & Associates
 Firm Registration No.: 302014E
 Chartered Accountants

For and on behalf of the Board

CA Narendra Khandal
 Partner
 Membership No. : 065025

Binu Varghese
 Director

Shailendra Jain
 Director

Place: Mumbai
 Date:

14 MAY 2016

Place: Mumbai
 Date:

14 MAY 2016

Baramati Airport Private Limited
Statement of Profit and Loss for the year ended 31st March 2016

Particulars	Note No.	Year ended 31st March 2016 ₹	Year ended 31st March 2015 ₹
I. Revenue from operations	2.12	22,15,450	26,25,974
II. Other income	2.13	84,675	1,17,449
III. Total Revenue (I + II)		23,00,125	27,43,423
Expenses:			
Employee benefit expense	2.14	4,81,868	4,50,154
Other expenses	2.15	2,72,31,711	18,43,439
Depreciation and amortisation Expense	2.6	38,98,074	39,43,337
IV. Total Expenses		3,16,11,653	62,36,930
V. Profit before Tax (III - IV)		(2,93,11,528)	(34,93,507)
VI. Tax Expenses			
VII. Profit (Loss) after tax (V - VI)		(2,93,11,528)	(34,93,507)
VIII. Earning Per equity share: (₹)			
- Basic & Diluted	2.16	(1.64)	(1.64)

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

As per our Report of even date.

For M K P S & Associates
 Firm Registration No.: 302014E
 Chartered Accountants

For and on behalf of the Board

C.A. Narendra Khandal
 Partner
 Membership No. : 065025

Binu Varghese
 Director

Shailendra Jain
 Director

Place: Mumbai
 Date:

14 MAY 2016

Place: Mumbai
 Date:

14 MAY 2016

Baramati Airport Private Limited
Cash Flow Statement for the year ended 31st March 2016

Particulars		Year ended	Year ended
		31st March 2016	31st March 2015
		₹	₹
A. Cash Flow from/ (used in) Operating Activities			
Net Profit/ (Loss) after Tax		(2,93,11,528)	(34,93,507)
Depreciation and Amortisation Expenses		38,98,074	39,43,337
Dividend Received on Mutual Fund Investments		-	(95,371)
Profit on Sale of Mutual Fund		(62,758)	-
Operating Profit before Working capital changes		(2,54,98,109)	3,32,381
Adjustments for:			
Trade and Other receivables		(10,92,108)	17,40,900
Trade and other liabilities		1,23,55,895	(3,49,183)
Income Taxes Paid		(1,44,483)	(90,685)
Cash Flow from/ (used in) Operating Activities	[A]	(1,43,78,806)	16,33,413
B. Cash flow from/ (used in) Investing Activities			
Purchase of Mutual Funds		4,37,243	(26,95,371)
Dividend Received on Mutual Fund Investments		-	95,371
Cash flow from / (used in) Investing Activities	[B]	5,21,898	(25,77,922)
C. Cash flow from/ (used in) Financing Activities			
Net cash generated from/ (used in) Financing Activities	[C]	2,72,00,000	-
Net (Decrease)/ Increase in Cash and Cash equivalents	[A+B+C]	1,33,43,093	(9,44,510)
Cash and Cash equivalents as at the commencement of the period (Opening Balance)		22,774	9,67,284
Cash and Cash equivalents as at the end of the period (Closing Balance)		1,33,65,867	22,774
Net (Decrease)/ Increase in Cash and Cash equivalents		1,33,43,093	(9,44,510)

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

As per our report of even date

For M K P S & Associates
 Firm Registration No.: 302014E
 Chartered Accountants

For and on behalf of the Board

CA Narendra Khandal
 Partner
 Membership No. : 065025

Binu Varghese
 Director

Shailendra Jain
 Director

Place: Mumbai
 Date:

14 MAY 2016

Place: Mumbai
 Date:

14 MAY 2016

Baramati Airport Private Limited
Notes annexed to and forming part of the Financial Statements

Note 1 Significant Accounting Policies

Introduction

Baramati Airport Private Limited is a Special Purpose Vehicle incorporated by Reliance Airport Developers Private Limited and Reliance Infrastructure Limited. The Company was incorporated on September 29, 2009 in the state of Maharashtra, India.

The Company has entered into Lease Agreement with Maharashtra Industrial Development Corporation ("the MIDC") on November 5, 2009 to Design, Develop, Upgrade, Finance, Operate, Maintain and Manage the Airport at Baramati. Pursuant to the terms and conditions of the Agreement, the company has been assigned and conveyed the exclusive lease rights of the Immovable and movable property for a period of 95 years.

a) Basis of Preparation

The financial statement is prepared in accordance with the Generally Accepted Accounting Principles in India, Accounting Standards as per section 133 of the Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules 2014

b) Use of Estimate:

The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as on date of the financial statements and reported amount of revenue and expenses during 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 material adjustment to the carrying amounts of assets and liabilities in future periods. Difference between the actual results and estimates is recognised in the period in which the results are known / materialized.

c) Investments

Long-term investments are stated at cost. In case of long term investments, Provision/ write down is made for permanent diminution in value. Current investments are valued at lower of cost or fair value.

d) Revenue Recognition Policy:

The Company derives its revenues from providing services and facilities to airlines, passengers and other concessionaries. The Company's revenues mainly comprise of revenues from aeronautical and non- aeronautical services.

Revenue from these services is recognized as follows:

i) Revenue from aeronautical services includes landing and parking charges, X-Ray baggage charges and Passenger service fees at the prescribed rates. Landing and parking charges and X-Ray baggage charges are recognized, when such services are provided. Revenue from non-aeronautical services consists of rentals, car parking charges, hoarding charges etc., is recognized as the services are provided.

ii) Dividends: Revenue is recognised when the right to receive payment is established in the entity's favour.

iii) Others: Insurance and other claims are recognised as revenue on certainty of receipt on prudent basis.

Income on Investments is recognised based on the terms of the investment. Income from mutual fund schemes is accounted on declaration of dividend or on maturity of such investments as the case may be.

e) Fixed Assets

Tangible Assets

i) Cost comprises cost of acquisition or construction including borrowing costs attributable to bringing the assets to their intended use.

ii) All project related expenditure viz. civil works, machinery under erection, construction and erection materials, pre-operative expenditure incidental / attributable to the construction of project, borrowing cost incurred prior to the date of commercial operations and trial run expenditure are shown under Intangible assets under development. These expenses are net of recoveries and income (net of tax) from surplus funds arising out of project specific borrowings.

iii) Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is recognised.

iv) The expenditure on improvements to runways and existing infrastructures are capitalised as Leasehold Improvements.

Intangible Assets

i) The Company's Lease Agreement with the MIDC to Design, Develop, Upgrade Finance, Operate, and Maintain and Manage the Airport at Baramati, are classified as Intangible Assets. Accordingly, the non-refundable upfront premium paid to the MIDC and the expenditure incurred on construction, modernization and upgradation of the Airport are classified as "Intangible Assets".

ii) Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is recognised.

f) Depreciation / Amortisation:

Tangible Assets:

Fixed assets are depreciated under the straight line method as per the rates and in the manner prescribed under Schedule II of the Companies Act, 2013.

Intangible Assets:

The Upfront Premium paid to the MIDC and attributable cost thereon is amortized over a period of 95 years, from the date of signing the Lease Agreement. The expenditure on improvements to runways and existing infrastructures are amortised over their estimated useful lives being a period of seven years.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

g) Retirement Benefits

Contributions to defined contribution schemes such as Provident fund, superannuation fund, etc. are charged to Statement of Profit and Loss. The Company does not provide for retirement benefits in the form of gratuity and leave encashment since there are no permanent employees on the roll of the company.

h) Taxation

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1981. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

i) Foreign Exchange Transactions

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

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

j) Impairment of Assets

If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

k) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

l) Provisions

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

m) Contingent liabilities:

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

n) Cash and cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Baramati Airport Private Limited
Notes on Financial Statements for the year ended 31st March 2016
Note 2.1 - Share Capital

	31st March 2016		31st March 2015	
	Nos.	₹	Nos.	₹
Authorized				
Equity Shares Rs. 10 par value	21,50,000	2,15,00,000	21,50,000	2,15,00,000
		<u>2,15,00,000</u>		<u>2,15,00,000</u>
Issued				
Equity Shares Rs. 10 par value	21,33,510	2,13,35,100	21,33,510	2,13,35,100
		<u>2,13,35,100</u>		<u>2,13,35,100</u>
Subscribed and Fully Paidup				
Equity Shares Rs. 10 each fully paidup (All Shares are held by Reliance Infrastructure Limited and Reliance Airport Developers Private Limited)	21,33,510	2,13,35,100	21,33,510	2,13,35,100
		<u>2,13,35,100</u>		<u>2,13,35,100</u>
Reconciliation of shares				
No. of shares at the beginning of the year	2133510	2,13,35,100	2133510	2,13,35,100
Add : No. of Shares Issued during the year	-	-	-	-
No. of Shares at the end of the year	2133510	<u>2,13,35,100</u>	2133510	<u>2,13,35,100</u>

Rights, Preferences and Restrictions -

The Company has only one class of shares referred to as Equity Shares having a Par Value of Rs. 10. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
- Its Holding Company (M/s Reliance Infrastructure Limited)	5,54,712	55,47,120	5,54,712	55,47,120
- Ultimate Holding Company (M/s Reliance Airport Developers Private Limited)	15,78,798	1,57,87,980	15,78,798	1,57,87,980
	<u>21,33,510</u>	<u>2,13,35,100</u>	<u>21,33,510</u>	<u>2,13,35,100</u>

Shareholders holding more than 5% of shares :

Name	No. of Shares	% of shareholding	No. of Shares	% of shareholding
Reliance Infrastructure Limited	5,54,712	26%	5,54,712	26%
Reliance Airport Developers Private Limited	15,78,798	74%	15,78,798	74%
TOTAL	21,33,510	100%	21,33,510	100%

Note 2.2 Reserves and Surplus

Securities Premium Account

Opening Balance	19,11,15,900	19,11,15,900
Add : Securities premium credited on Share issued during the year	-	-
Closing Balance	<u>19,11,15,900</u>	<u>19,11,15,900</u>

Surplus / (Deficit) as per Statement of Profit and Loss

Opening Balance	(2,64,50,500)	(2,29,56,993)
(+) Net Profit / (Net Loss) for the current year	<u>(2,93,11,528)</u>	<u>(34,93,507)</u>
Closing Balance	<u>(5,57,62,029)</u>	<u>(2,64,50,500)</u>

TOTAL	13,53,53,871	16,46,65,400
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Baramati Airport Private Limited
Notes on Financial Statements for the year ended 31st March 2016

	31st March 2016	31st March 2015
	₹	₹
Note 2.3 Long Term Borrowings		
Loans and advances from related parties		
- from Holding Company	9,13,12,598	7,11,84,598
Sub Ordinate Debts from Reliance Infrastructure Limited, Holding Company	71,29,200	57,200
TOTAL	9,84,41,798	7,12,41,798
Note 2.4 Trade Payables		
Trade payables	1,81,87,964	62,62,343
(Amount due to MSME NIL)		
TOTAL	1,81,87,964	62,62,343
Note 2.5 Other Current Liabilities		
Statutory Liabilities	4,32,901	2,627
Other Current Liabilities	4,500	4,500
TOTAL	4,37,401	7,127

Baramati Airport Private Limited
Notes on Financial Statements for the year ended 31st March 2016

Note 2.6

a) Tangible Assets

Particulars	Gross Block			Depreciation / Amortisation			Net Block	
	As at April 01, 2015	Additions / Disposal	As at 31st March 2016	As at April 01, 2015	Additions during the Year	As at 31st March 2016	As at 31st March 2016	As at 31st March 2015
Buildings - Leasehold improvements	72,12,816	-	72,12,816	30,91,516	10,30,711	41,22,227	30,90,589	41,21,301
Plant & Machinery	5,11,621	-	5,11,621	1,15,576	24,117	1,39,693	3,71,928	3,96,045
Furniture & Fixtures	6,400	-	6,400	1,672	448	2,120	4,280	4,728
Office Equipment	85,518	-	85,518	84,713	-	84,713	805	805
Total (A)	78,16,355	-	78,16,355	32,93,477	10,55,277	43,48,754	34,67,602	45,22,879

b) Intangible Assets

The component of Intangible assets are as under:

Particulars	Gross Block			Depreciation / Amortisation			Net Block	
	As at April 01, 2015	Additions / Disposal	As at 31st March 2016	As at April 01, 2015	Additions during the Year	As at 31st March 2016	As at 31st March 2016	As at 31st March 2015
Upfront Premium	27,00,65,780	-	27,00,65,780	1,56,34,582	28,42,798	1,84,77,380	25,15,88,400	25,44,31,198
Total (B)	27,00,65,780	-	27,00,65,780	1,56,34,582	28,42,798	1,84,77,380	25,15,88,400	25,44,31,198

Baramati Airport Private Limited**Notes on Financial Statements for the year ended 31st March 2016**

	31st March 2016	31st March 2015
	₹	₹
Note 2.7 Long Term Loans and Advances		
Unsecured Considered Good		
Security Deposit	7,375	7,375
Inter Corporate Deposits Given	-	7,50,000
TOTAL	7,375	7,57,375
Note 2.8 Current Investments		
Trade Investments		
Reliance Liquid Fund - Growth Option (Quoted)	22,58,128	26,95,371
Total	22,58,128	26,95,371
Note 2.9 Trade Receivables		
Trade receivables		
Unsecured, considered good due for		
- More than 6 months from due date		
Total	6,73,261	7,69,716
Note 2.10 Cash and Cash Equivalents		
Balances with banks	1,33,65,867	22,774
Total	1,33,65,867	22,774
Note 2.11 Short Term Loans and Advances		
Unsecured Considered Good		
Advance Income Tax	1,44,483	90,685
Advance Recoverable in cash or in kind or for value to be received	22,51,018	2,21,770
Total	23,95,501	3,12,455

Baramati Airport Private Limited**Notes on Financial Statements for the year ended 31st March 2016**

	As at 31st March 2016 ₹	As at 31st March 2015 ₹
Note 2.12 - Revenue from Operations		
Aeronautical Income	22,15,450	26,03,589
Non-Aeronautical Income	-	22,385
	22,15,450	26,25,974
Note 2.13 - Other Income		
Dividend on Mutual Funds	-	95,371
Profit on Sale of Investment/Assets	62,758	-
Interest - Other	21,897	22,078
	84,675	1,17,449
Note 2.14 - Employee Benefit Expense		
Salaries and Wages	4,06,868	3,75,154
Staff welfare expenses	75,000	75,000
	4,81,868	4,50,154
Note 2.15 - Other Expenses		
Telephone Expenses	27,247	27,172
Electricity Charges	30,400	35,250
Insurance Premium	2,25,678	2,41,766
Printing & Stationery	2,178	2,059
Travelling & Conveyance Expenses	20,714	1,540
Remuneration to Auditors		
- Audit Fees	18,675	17,925
Repairs & Maintenance charges		
- Buildings	2,52,27,378	36,759
- Plant & Machinery	74,451	86,831
- Other Assets	1,99,972	2,95,210
Professional Fees	41,300	39,973
Water Expenses	-	600
Miscellaneous Expenses	17,887	30,935
Rate & Taxes	1,68,394	1,33,648
Security Expenses	11,77,322	8,93,770
	2,72,31,711	18,43,439

Baramati Airport Private Limited
Notes annexed to and forming part of the Financial Statements

Note 2.16 Earnings per Share

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

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
	₹	₹
Basic / Diluted Earning Per Share:		
Profit after taxation as per Profit and Loss Account	-2 93 11 528	- 34 93 507
Number of Equity Shares Outstanding	21 33 510	21 33 510
Basic / Diluted Earning Per Share	(13.74)	(1.64)
Nominal value of equity share	10.00	10.00

Note 2.17 Related Party Disclosures

As per Accounting Standard – 18 "Related party disclosure" as prescribed by Companies (Accounting Standards) Rules, 2006, the Company's related parties and transactions are disclosed below:

a. Details of Related parties, where control exists:

Holding Company	Reliance Airport Developers Private Limited
Ultimate Holding Company	Reliance Infrastructure Limited

b. Following are the transactions with related parties during the year and outstanding balances as at the end of the year:

Nature of Transactions	Name of the related party	Outstanding balance as at 01 April 2015	Transactions during the Year	Balance as on 31 March 2016
		₹	₹	₹
Equity Share Capital	Reliance Airport Developers Private Limited	1 67 87 980	-	1 67 87 980
	Reliance Infrastructure Limited	55 47 120	-	55 47 120
Security Premium	Reliance Airport Developers Private Limited	14 14 25 820	-	14 14 25 820
	Reliance Infrastructure Limited	4 96 90 080	-	4 96 90 080
Sub Ordinate Debt received	Reliance Airport Developers Private Limited	7 11 84 598	2,01,28,000	9,13,12,698
	Reliance Infrastructure Limited	57 200	70,72,000	71,28,200

Baramati Airport Private Limited

Notes annexed to and forming part of the Financial Statements

Note 2.18 Contingent liabilities and capital commitments

Particulars	As at	As at
	31st March 2016	31st March 2016
	₹	₹
Contingent Liabilities		
Performance Guarantee given to ICICI Bank Limited by Reliance Infrastructure Limited	60 00 000	50 00 000

Note 2.19 Service Charges and Water Charges

The company has received a notice towards arrears of service charges from MIDC of ₹ 1,77,80,925/- (for the period from 05-Nov 2009 to 30th November 2012), on the land used by the company and late payment charges of Rs. 24,02,600/-. Applicability of Service charges for the Airport Plot has been disputed. The company has made several representations to MIDC accordingly to resolve the same. The matter is under consideration of MIDC Headquarters.

The company has also received a notice towards water charges from MIDC of ₹ 7,92,499/- (for the period from 05-Nov 2009 to 31st July 2011), and late payment charges of Rs. 7,41,326/-. The company is willing to clear the Water Charges as applicable upto July 2011 (when water supply was disconnected by MIDC). However, MIDC has clubbed water charges with Service charges and has not accepted payment of water charges alone. However the company has made adequate provision in the book of accounts for the water charges.

Note 2.20 Micro and small enterprises as defined under the MSMED Act, 2006

There are no amount due to Micro & Small Enterprise as defined under the Micro Small and Medium Enterprise Development Act, 2006. This information is based upon the extent to which the details are taken from the suppliers by the company and has been relied upon by the auditors.

Note 2.21 Segment Reporting

The Company operates in a single segment namely "Operation, Maintenance and Management of Airports" and there are no other reportable segments under Accounting Standard (AS-17) 'Segment Reporting' issued by ICAI.

Note 2.22 In the opinion of the management, the Current Assets, Loans and Advances and Current Liabilities are approximately of the value stated, if realised / paid in the ordinary course of business. The provision for all known liabilities is adequate and is not in excess of amounts considered reasonably necessary.

Note 2.23 In view of carried forward losses, the company has not recognised Deferred tax considering prudence.

Note 2.24 Previous year figures have been regrouped and re-arranged wherever necessary to correspond to current year's classification.

As per our report of even date

For M K P S & Associates
Firm Registration No.: 302014E
Chartered Accountants

For and on behalf of the Board

CA Narendra Khandal
Partner
Membership No. : 065025

Binu Varghese
Director

Shalendra Jain
Director

Place: Mumbai
Date:

14 MAY 2016

Place: Mumbai
Date:

14 MAY 2016