

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PS TOLL ROADS PRIVATE LIMITED**

Report on the Financial Statements

1. We have audited the accompanying financial statements of PS Toll Roads 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 there under.

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

4. An audit involves performing procedures to obtain audit evidence about the amounts and 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 profit 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. 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**


**CA 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 PS Toll Roads 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 been specified by the Central Government under sub-section (1) of section 148 of the Act for the company. We have broadly reviewed such records and are of the opinion that prima-facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii)
 - (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is 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) Based upon the audit procedures carried out by us and on the basis of information and explanations provided by the management we are of the opinion that the company has not defaulted in repayment of dues to banks / Financial Institutions. The company does not have any borrowings from government and the company has not issued any debentures as at the balance sheet date.
- ix) In our opinion and according to the information and explanations given to us, the term loans taken by the company have been ultimately utilised for the purpose for which they were taken. Further, the company has not raised any funds by way of initial / further public offer.
- 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 PS Toll Road 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 PS Toll Road 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



PS Toll Road Private Limited

Balance Sheet as at 31st March, 2016

	Note	As at March 31, 2016		As at March 31, 2015	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
Shareholders' Funds					
Share capital	2.1	1,07,240		1,07,240	
Reserves and surplus	2.2	<u>1,52,10,58,772</u>	<u>1,52,11,66,012</u>	<u>1,08,51,73,073</u>	<u>1,08,52,80,313</u>
Non-current liabilities					
Long-term borrowings	2.3	15,04,90,06,899		11,43,79,06,899	
Other long term liabilities	2.4	45,46,46,305		45,38,83,985	
Long-term provisions	2.5	<u>69,54,567</u>	<u>15,51,06,07,771</u>	<u>45,12,589</u>	<u>11,89,63,03,473</u>
Current liabilities					
Trade payables	2.6	25,78,52,572		19,48,19,165	
Other current liabilities	2.7	46,00,53,025		53,74,13,288	
Short-term provisions	2.8	<u>2,88,640</u>	<u>71,81,94,237</u>	<u>1,85,779</u>	<u>73,24,18,232</u>
Total			<u><u>17,74,99,68,020</u></u>		<u><u>13,71,40,02,017</u></u>
II. ASSETS					
Non-current assets					
Fixed Assets					
Tangible assets	2.09	2,79,90,280		3,17,91,353	
Intangible assets	2.10	11,678		17,625	
Intangible assets under development	2.11	<u>16,59,45,44,048</u>	<u>16,62,25,46,006</u>	<u>11,78,60,67,286</u>	<u>11,81,78,76,264</u>
Long-term loans and advances	2.12		<u>87,30,31,824</u>		<u>1,50,44,19,738</u>
Current Assets					
Cash and Cash Equivalents	2.13		4,10,49,636		6,18,66,981
Short-term loans and advances	2.14		21,26,65,582		32,98,39,034
Other current assets	2.15		6,74,972		-
Total			<u><u>17,74,99,68,020</u></u>		<u><u>13,71,40,02,017</u></u>

Significant Accounting Policies and Notes on Financial Statements

1 & 2

This is the Balance Sheet referred to in our report of even date.

For MKPS & Associates

Chartered Accountants

Firm Regn. No. 302014E

Narendra Khandal

Partner

Membership No. : 065025

For and on behalf of the Board

Kaushik Pal
Director & CEO
DIN:05237230Mañan Biyani
Director & CFO
DIN:07130371

Place: Mumbai

Date: May 14, 2016

Place: Mumbai

Date: May 14, 2016

PS Toll Road Private Limited

Statement of Profit and Loss for the Year ended 31st March, 2016

	Note	Year ended March 31, 2016	Year ended March 31, 2015
		₹	₹
Revenue			
Revenue from operations	2.16	2,12,38,64,489	1,92,39,73,512
Other income	2.17	62,68,074	1,31,01,264
Total Revenue		2,13,01,32,563	1,93,70,74,776
Expenses			
Employee benefit expenses	2.18	5,26,00,929	4,84,89,071
Other expenses	2.19	1,51,52,46,445	1,39,22,43,216
Depreciation and amortisation expenses	2.09, 2.10	88,99,490	1,18,47,073
Total Expenses		1,57,67,46,864	1,45,25,79,360
Profit before Tax		55,33,85,699	48,44,95,416
Current Tax		11,75,00,000	10,17,00,000
Profit (Loss) after Tax		43,58,85,699	38,27,95,416
Earnings Per equity share (Face Value of ₹ 10 per share)			
Basic & Diluted		40,646	35,762

Significant Accounting Policies and Notes on Financial Statements

1 & 2

This is the Statement of Profit and Loss referred to in our report of even date.

For MKPS & Associates

Chartered Accountants

Firm Regn. No. 302014E

For and on behalf of the Board**Narendra Khandal**

Partner

Membership No. : 065025

Place: Mumbai

Date: May 14, 2016

Kaushik Pal

Director & CEO

DIN:05237230

Place: Mumbai

Date: May 14, 2016

Madan Biyani

Director & CFO

DIN:07130371

PS Toll Road Private Limited

Cash Flow Statement for the Year ended 31st March 2016

	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
A Cash Flow from/ (used in) Operating Activities		
Profit before Taxation	55,33,85,699	38,27,95,416
Adjustments for:		
Depreciation	88,99,490	1,18,47,073
Interest Income	(62,68,074)	(1,31,01,264)
Operating Profit before Working Capital Changes	55,60,17,115	38,15,41,225
Adjustments for:		
Trade and Other Payables	6,30,33,407	(1,01,71,87,226)
Net Cash Generated from/ (used in) Operating Activities	61,90,50,523	(63,56,46,001)
B Cash flow from Investing Activities		
Purchase/ Acquisition of fixed assets	(3,59,66,44,940)	(7,82,07,31,070)
Interest Income	62,68,074	1,31,01,264
Net Cash used in investing activities	(3,59,03,76,866)	(7,80,76,29,806)
C Cash flow from/ (used in) Financing Activities		
Proceeds from Long term borrowings	3,61,11,00,000	801,05,25,529
Interest and Finance Charges	(66,05,91,001)	(40,24,11,148)
Net cash generated from Financing Activities	2,95,05,08,999	7,60,81,14,381
Net (Decrease)/ Increase in Cash and Cash equivalents	[A+B+C] (2,08,17,345)	(83,51,61,426)
Cash and Cash equivalents as at the commencement of the year (Opening Balance)	6,18,66,981	89,70,28,407
Cash and Cash equivalents as at the end of the year (Closing Balance)	4,10,49,636	6,18,66,981
Net (Decrease)/ Increase in Cash and Cash equivalents	(2,08,17,345)	(83,51,61,426)

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

This is the Cash Flow Statement referred to in our report of even date.

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

For and on behalf of the Board

Narendra Khandal
Partner
Membership No. : 065025

Kaushik Pal
Director & CEO
DIN:05237230

Madan Biyani
Director & CFO
DIN:07130371

Place: Mumbai
Date: May 14, 2016

Place: Mumbai
Date: May 14, 2016

PS Toll Road Private Limited

Notes annexed to and forming part of the Financial Statements for year ended 31st March 2016

INTRODUCTION:

The Company has been awarded on Design, Build, Finance, Operate and Transfer (DBFOT) basis, augmentation of the existing road from km 725.00 to km 865.35 (approximately 140.35 km) on the Pune-Satara section of National Highway No.4 in the state of Maharashtra and operation and maintenance of the existing 4 lanes and additional 2 lanes as per the Concession Agreement dated March 10, 2010 of the National Highways Authority of India. The Concession Agreement is for a year of 24 years from October 01, 2010, being the appointed Date stated in clause 1.1 of the said agreement. The company is a subsidiary of Reliance Infrastructure Limited. Toll Collection Started from October 1, 2010.

1.0 SIGNIFICANT ACCOUNTING POLICIES:

1.1 Basis of Preparation of Financial Statements :

The financial statements are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (the Act) and comply in material aspects with the Accounting Standards notified under Section 133 of the Act, (read with Rule 7 of the Companies (Accounts) Rules, 2014.

1.2 Financial Statements: Presentation and Disclosures :

The financial statements have been prepared as per the requirements of Schedule III notified under the Act. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

1.3 Use of Estimates :

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon Management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the year in which the results are known / materialized.

1.4 Fixed Assets :

The gross block of Fixed Assets is stated at cost of acquisition or construction, including any cost attributable to bringing the assets to their working condition for their intended use.

All Project related expenditure for acquisition of Toll collection rights viz., civil works, machinery under erection, construction and erection materials, pre-operative expenditure, expenditure indirectly related to the project and incidental to setting up project facilities, borrowing cost incurred prior to the date of commercial operation, and trial run expenditure are shown under Intangible Asset under Development. These expenses are net of recoveries, claims and income (net of tax) from surplus funds arising out of project specific borrowings.

Intangible assets are stated at acquisition cost less accumulated amortization.

1.5 Investments :

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

1.6 Borrowing Costs:

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

1.7 Revenue Recognition :

In respect of Toll Roads, toll revenue from operations of the facility is accounted on receipt basis

Insurance and other claims are recognized as revenue on certainty of receipt on prudent basis.

Dividend on investment is recognized when the right to receive the payment is established.

1.8 Depreciation and Amortization :

Depreciation on Fixed Assets is provided on Straight Line Method (SLM) on the basis of their useful life or at the rates and in the manner specified in Schedule II to the Act.

Toll Collection Rights are amortized over the concession period on the basis of projected toll revenue which reflects the pattern in which the assets' economic benefits are consumed. The projected total toll revenue is based on the independent traffic volume projections. Amortization is revised in case of any material change in the expected pattern of economic benefits. The same is in line with Schedule II to the Act.

PS Toll Road Private Limited

Notes annexed to and forming part of the Financial Statements for year ended 31st March 2016

1.9 Employee Benefits :

Contributions to defined contribution schemes such as provident fund, superannuation funds etc. are charged to Statement of Profit and Loss/Intangibles under development, as applicable. The Company also provides for retirement benefits in the form of gratuity and leave encashment. The liability in respect of this defined benefit plans is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Such defined benefits are charged to Statement of Profit and Loss/Intangibles under development, as applicable, based on actuarial valuations, as at the balance sheet date, made by independent actuaries. Actuarial gain and loss is recognized in the Statement of Profit and Loss / Intangibles under development, as may be applicable.

1.10 Accounting for Taxes on Income :

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future. However, in respect of unabsorbed depreciation or carry forward loss, the deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

1.11 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 recognized 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.

1.12 Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If the carrying amount of fixed assets / cash generating unit 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.

1.13 Provisions :

Provisions are recognised when the Company has a present 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.

1.14 Contingent Liabilities and Contingent Assets:

A contingent liability is a possible obligation that arises 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 recognised 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 notes to financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

1.15 Cash and Cash Equivalents :

Cash and cash equivalents for the purposes of cash flow statement comprise of cash on hand and demand deposits with banks.

PS Toll Road Private Limited

Notes annexed to and forming part of the Financial Statements for year ended 31st March 2016

Note 2.1 Share Capital

	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Authorized		
Equity Shares of ₹ 10 each		
1,00,000 (1,00,000) Equity Shares	10,00,000	10,00,000
	<u>10,00,000</u>	<u>10,00,000</u>
Issued, Subscribed and Paidup		
Equity Shares of ₹ 10 each		
10,724 (10,724) equity shares	1,07,240	1,07,240
	<u>1,07,240</u>	<u>1,07,240</u>
Reconciliation of shares		
No. of shares at the beginning of the year	10,724	10,724
Add : No. of Shares Issued during the year	-	-
No. of Shares at the end of the year	<u>10,724</u>	<u>10,724</u>

Details of Shareholders holding more than 5% of shares :

Name of the shareholders	No. of Shares	%	No. of Shares	%
Reliance Infrastructure Limited	7,936	74%	7,936	74%
Jiangsu Provincial Transportation Engineering Group Co,Ltd	2,788	26%	2,788	26%
Total	10,724	100%	10,724	100%

Note 2.2 Reserves and Surplus

Surplus as per Statement of Profit & Loss				
Opening Balance	1,08,51,73,073		70,23,77,657	
Net Profit/(loss) for the year	43,58,85,699		38,27,95,416	
Closing Balance		<u>1,52,10,58,772</u>		<u>1,08,51,73,073</u>
		<u>1,52,10,58,772</u>		<u>1,08,51,73,073</u>

PS Toll Road Private Limited

Notes annexed to and forming part of the Financial Statements for year ended 31st March 2016

	As at March 31, 2016		As at March 31, 2015	
	Non Current ₹	Current * ₹	Non Current ₹	Current * ₹
Note 2.3 Long Term Borrowings				
Secured				
Term loans from Banks	5,55,82,00,000	-	3,39,00,00,000	-
Term loans from Financial Institution	1,20,57,00,000	-	44,00,00,000	-
Note:	<u>6,76,39,00,000</u>	-	<u>3,83,00,00,000</u>	-
Unsecured				
Sub Ordinate Debts from Reliance Infrastructure Limited	8,28,51,06,899	-	7,60,79,06,899	-
	<u>15,04,90,06,899</u>	-	<u>11,43,79,06,899</u>	-

Secured by:

For ICICI Bank

- First pari-passu charge/security interest over all present & future non-current regulatory assets of the parents.
- Lien over the O&M Account.
- First Exclusive English mortgage over parent's right under the O&M contract.
- The security mentioned above shall be created and perfected within 2 months from the first drawdown date. Security mentioned in point 1 above shall be shared with Rs. 3.00 billion working capital facility provided by lenders to Parent.
- On request of the Parent, lenders shall promptly provide no objection certificate to create first pari passu charge on Regulatory Assets in favor of other lenders subject to maintenance of Security cover under this facility & no such request shall be unreasonably held by the lenders.
- Security mentioned under point a above shall provide a security cover of 1.40x ("Security Cover"), to be maintained during the entire tenor of the facility. Security Cover shall be calculated based on the value of Regulatory Assets recognized by MERC. In case lenders feels that the security mentioned under point a above is insufficient to provide the security cover, lenders may ask the Borrower to provide additional security as acceptable to the lender.
- Facility shall be repaid in one bullet payment at the Final Maturity Date.
- Final maturity date - 6 months post final maturity date under the Existing Debt or 15 years from the 1st drawdown date, which ever is earlier.

For Other Bank & Financial Institutions

Secured by:

- First mortgage and charge of all immovable properties, present and future & except the project Assets & of all tangible movable assets, both present and future, save and except the project Assets.
- First Charge over Escrow Accounts & Sub Accounts in accordance with Escrow & Supplementary agreement.
- Pledge by the promoters of 51% of the fully paid up capital of the borrower.

Maturity Profile of Secured loans are as under:

Particulars	Term Loan		Total
	From Banks	From FI	
FY 2016-17	-	-	-
FY 2017-18	-	-	-
FY 2018-19	22,93,650	9,04,275	31,97,925
FY 2019-20	76,45,500	30,14,250	1,06,59,750
FY 2020-21	6,11,64,000	2,41,14,000	8,52,78,000
FY 2021-22	9,17,46,000	3,61,71,000	12,79,17,000
FY 2022-23 onwards	5,39,53,50,850	1,14,14,96,475	6,53,68,47,325
Total	5,55,82,00,000	1,20,57,00,000	6,76,39,00,000

PS Toll Road Private Limited

Notes annexed to and forming part of the Financial Statements for year ended 31st March 2016

	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Note 2.4 Other Long Term Liabilities		
Retention Payable	45,46,46,305	45,38,83,985
	<u>45,46,46,305</u>	<u>45,38,83,985</u>
Note 2.5 Long Term Provisions		
Provision for employee benefit		
Leave Encashment	69,54,567	45,12,368
Gratuity	-	221
	<u>69,54,567</u>	<u>45,12,589</u>
Note 2.6 Trade Payables		
Trade Payables	25,78,52,572	19,48,19,165
	<u>25,78,52,572</u>	<u>19,48,19,165</u>
Note 2.7 Other current Liabilities		
Creditors for Capital Expenditure	44,18,04,811	52,92,92,925
Other Current Liabilities	1,82,48,214	81,20,363
	<u>46,00,53,025</u>	<u>53,74,13,288</u>
Note 2.8 Short Term Provisions		
Provision for leave encashment	2,88,640	1,85,779
	<u>2,88,640</u>	<u>1,85,779</u>

PS Toll Road Private Limited

Notes annexed to and forming part of the Financial Statements for year ended 31st March 2016

Note 2.09 Tangible Assets

Particulars	Gross Block			Depreciation			Net Block	
	As at April 1, 2015	Additions during the year	As at March 31, 2016	As at April 1, 2015	Additions during the year	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Land								
Buildings	24,42,974		24,42,974	9,00,039	32,572	9,32,611	15,10,363	15,42,936
Plant & Machinery	16,96,449	38,27,273	55,23,722	13,87,264	3,36,544	17,23,808	37,99,914	3,09,185
Office Equipments	5,78,90,919	32,44,932	6,11,35,851	2,98,53,956	1,04,39,972	4,02,93,928	2,08,41,923	2,80,36,963
Furniture and Fixtures	35,55,505	2,45,138	38,00,643	16,53,236	3,09,327	19,62,563	18,38,080	19,02,270
Total Tangible Assets	6,55,85,848	73,17,342	7,29,03,190	3,37,94,495	1,11,18,415	4,49,12,910	2,79,90,280	3,17,91,353
Previous Year	5,74,27,131	81,58,717	6,55,85,848	2,19,63,942	1,18,30,552.23	3,37,94,495	3,17,91,353	

Note 2.10 Intangible Assets

Particulars	Gross Block			Amortisation			Net Block	
	As at April 1, 2015	Additions during the year	As at March 31, 2016	As at April 1, 2015	Additions during the year	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Computer Software	2,43,001	-	2,43,001	2,25,376	5,947	2,31,323	11,678	17,625
Total Intangible Assets	2,43,001	-	2,43,001	2,25,376	5,947	2,31,323	11,678	17,625
Previous Year	2,43,001	-	2,43,001	2,08,855	16,521	2,25,376	17,625	

PS Toll Road Private Limited

Notes annexed to and forming part of the Financial Statements for year ended 31st March 2016

	As at March 31, 2015 ₹	Incurred during the Year ₹	As at March 31, 2016 ₹
Note 2.11 Intangible Assets Under Development			
A) Assets under Construction Pending Allocation			
Project Contract Expenses	10,60,07,56,175	3,98,99,59,845	14,59,07,16,020
Toll Management System	14,88,897	2,95,15,950	3,10,04,847
Total A	10,60,22,45,072	4,01,94,75,794	14,62,17,20,866
B) Incidental Expenses related to development of intangible assets			
Salaries, Bonus and Other Allowances	-	1,31,48,970	1,31,48,970
Project Execution Support Services	4,16,83,384	1,66,04,122	5,82,87,506
Electricity Expenses	-	77,677	77,677
Insurance Charges	4,18,10,463	3,35,00,465	7,53,10,928
Travelling & Conveyance	18,964	4,32,052	4,51,016
Vehicle expenses	-	21,40,353	21,40,353
Auditors' Remuneration			
For Audit Fees	-	85,735	85,735
For Certification Charges	-	5,000	5,000
Rent, Rate & Taxes	-	3,27,292	3,27,292
Legal And Professional Charges	8,84,05,959	2,52,30,750	11,36,36,709
Other Miscellaneous Expenses	2,62,394	30,65,785	33,28,179
Guarantee Commission	3,86,65,200	1,08,55,298	4,95,20,498
Interest Cost	80,83,65,833	66,05,91,001	1,46,89,56,834
Other Finance Charges			
Upfront Fees	16,46,10,017	2,07,11,595	18,53,21,612
Bank Charges	-	-	-
Depreciation	-	22,24,873	22,24,873
Total B	1,18,38,22,214	78,90,00,968	1,97,28,23,182
C) Other Income			
Less : Other Income	-	-	-
Total C	-	-	-
Total D = B - C	1,18,38,22,214	78,90,00,968	1,97,28,23,182
Grand Total (A+D)	11,78,60,67,286	4,80,84,76,762	16,59,45,44,048

PS Toll Road Private Limited

Notes annexed to and forming part of the Financial Statements for year ended 31st March 2016

	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Note 2.12 Long Term Loans and Advances		
Capital advance	87,30,31,824	1,50,44,19,738
	<u>87,30,31,824</u>	<u>1,50,44,19,738</u>
Note 2.13 Cash and Bank Balance		
Cash and Cash Equivalents		
Balances with banks		
In Current Accounts	60,12,903	5,23,45,992
In Deposit Accounts	2,38,74,500	-
Cash on hand	1,11,62,233	95,20,989
	<u>4,10,49,636</u>	<u>6,18,66,981</u>
Note 2.14 Short Term Loans and Advances		
Advance to Vendors	10,88,75,617	9,32,29,553
Advance Income Tax (Net of Provision)	1,55,11,798	1,97,51,621
Advance recoverable in cash or in kind or for value to be received	7,30,94,175	19,01,63,115
Security deposits	4,25,000	13,91,450
Prepaid Expenses	1,47,58,992	2,53,03,295
	<u>21,26,65,582</u>	<u>32,98,39,034</u>
Note 2.15 Other Current Assets		
Interest Accrued but not due on Fixed Deposit	6,74,972	-
	<u>6,74,972</u>	<u>-</u>

PS Toll Road Private Limited

Notes annexed to and forming part of the Financial Statements for year ended 31st March 2016

	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
Note 2.16 Revenue from Operations		
Sale of services - Toll Collection	2,12,38,64,489	1,92,36,37,512
Leasing of Advertisement Space	-	3,36,000
	2,12,38,64,489	1,92,39,73,512
Note 2.17 Other Income		
Interest Income	62,68,074	1,31,01,264
	62,68,074	1,31,01,264
Note 2.18 Employee benefit expenses		
Salaries and Wages	4,83,14,092	3,71,58,453
Contribution to Provident Fund and Other Fund	19,15,378	17,97,352
Contribution to Gratuity Fund	23,60,106	16,44,946
Staff welfare expenses	11,353	78,88,319
	5,26,00,929	4,84,89,071
Note 2.19 Other Expenses		
Toll Operation & Maintenance Expenses	21,56,52,772	14,40,20,736
Electricity Expenses	2,54,35,594	2,19,09,391
Insurance	1,27,14,024	80,82,143
Travelling & Conveyance	1,11,25,187	98,42,500
Auditors' Remuneration		
- Audit Fees	5,41,265	5,50,000
- Certification Fees	48,310	1,38,000
- Out of Pocket Expenses	-	-
Rent, Rates & Taxes	13,09,166	12,80,088
Legal and Professional Charges	7,57,60,757	4,60,24,214
Other Miscellaneous Expenses	1,25,19,422	1,14,10,345
Upfront premium	1,16,01,39,948	1,10,48,95,188
Interest on Upfront premium	-	4,40,90,612
	1,51,52,46,445	1,39,22,43,216

PS Toll Road Private Limited

Notes annexed to and forming part of the Financial Statements for year ended 31st March 2016

2.20 Retirement Benefits:

Disclosure as required by Accounting Standard (AS) - 15 (Revised 2005) "Employee Benefits" notified by the Companies (Accounting Standards) Rules, 2006 are given below:

(A) Defined Contribution Plans

- a) Provident Fund
- b) State defined contribution plans

- Employers' Contribution to Employees' Deposit Linked Insurance
- Employers' Contribution to Employees' Pension Scheme, 1995

The Provident Fund and the State defined contribution plan are operated by the Regional Provident Fund Commissioner Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

(A) Defined Benefit Plans

- a) Gratuity
- b) Leave Encashment

Gratuity is payable to employees who has rendered continuous services for more than 5 years at the rate of 15 days of service for each completed year of service or part thereof in excess of 6 months subject to maximum of Rs. 10 Lacs

Leave encashment is payable to eligible employees who have earned leaves during the employment and/ or on separation as per the Company's policy.

Valuations in respect of Gratuity and Leave Encashment have been carried out by an independent actuary, as at the Balance Sheet date, based on the following assumptions:

- a) The amounts recognised in the Intangible Assets Under Development/Statement of Profit & loss are as follows:

(i) Defined Benefit Plan	Leave Encashment		Gratuity	
	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Current service cost	14.27	9.97	10.79	7.22
Interest cost on benefit obligation	4.74	3.42	4.71	2.99
Expected return on plan assets	-	-	(4.34)	(2.47)
Net actuarial (gain)/loss recognised during the year	11.24	6.25	15.18	13.38
Current service cost included under the head payments to Contribution and Other Funds in Note. Employee benefit expenses	30.25	19.64	26.34	21.12
(ii) Defined Contribution Plan	Provident Fund			
	Year Ended March 31, 2016	Year Ended March 31, 2015		
	(Rs. in lacs)	(Rs. in lacs)		
Current service cost included under the head payments to Contribution and Other Funds in Note. Employee benefit expenses			18.23	14.04

- b) The amounts recognised in the Balance Sheet are as follows:

	Leave Encashment		Gratuity	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Present value of funded obligation	-	-	80.59	50.23
Present value of Unfunded obligation	72.43	46.98		
Less: Fair value of plan assets	-	-	80.87	50.23
Net Asset / (Liabilities) recognised in Balance Sheet	(72.43)	(46.98)	(0.28)	-

PS Toll Road Private Limited

Notes annexed to and forming part of the Financial Statements for year ended 31st March 2016

c) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

	Leave Encashment		Gratuity	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Opening defined benefit obligation	46.98	29.10	50.23	26.74
Interest cost	4.74	3.42	4.72	2.99
Current service cost	14.27	9.97	10.79	7.22
Benefits paid	(4.79)	(1.76)	-	-
Liabilities assumed on Acquisition/(Settled on Divestiture)	-	-	-	-
Actuarial (gains)/loss on obligation	11.23	6.25	14.85	13.28
Closing defined benefit obligation	72.43	46.98	80.59	50.23

d) Changes in the fair value of plan assets are as follows:

	Leave Encashment		Gratuity	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Opening fair value of plan assets	-	-	50.23	26.75
Expected return	-	-	4.35	2.47
Contributions made by employer during the year	4.79	1.76	26.62	16.38
Benefits paid	(4.79)	(1.76)	-	-
Actuarial Gain/(Loss) on plan assets	-	-	(0.33)	(0.11)
Assets acquired on Acquisition/(Settled on Divestiture)	-	-	-	4.74
Closing fair value of plan assets	-	-	80.87	50.23

	Leave Encashment (Rs. in lacs)	Gratuity (Rs. in lacs)
e) Expected contribution to defined benefit plan for the year 2016-17	2.88	7.00

f) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Leave Encashment		Gratuity	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
	%	%	%	%
Investments with insurer under: (a) Funds Managed by Insurer	NIL	NIL	100.00	100.00

g) The principal actuarial assumptions at the Balance Sheet date.

	Leave Encashment		Gratuity	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Discount rate	7.80%	7.85%	7.80%	7.85%
Expected rate of return on plan assets	0.00%	0.00%	8.25%	8.25%
Mortality Rate	As per ULT table (2006-2008)	As per ULT table (2006-2008)	As per ULT table (2006-2008)	As per ULT table (2006-2008)
Withdrawal Rate	4% per annum withdrawal rate at all ages	4% per annum withdrawal rate at all ages	4% per annum withdrawal rate at all ages	4% per annum withdrawal rate at all ages
Retirement Age	58 Yrs	58 Yrs	58 Yrs	58 Yrs
Salary Escalation Rate	7.50%	7.50%	7.50%	7.50%

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

PS Toll Road Private Limited

Notes annexed to and forming part of the Financial Statements for year ended 31st March 2016

2.21 Earning per Share

Particulars		₹	
		Year ended March 31, 2016	Year ended March 31st, 2015
Basic / Diluted Earning Per Share:			
Profit after taxation as per Profit and Loss Account	(A)	43,58,85,699	38,27,95,416
Weighted average number of Equity Shares Outstanding	(B)	10,724	10,704
No of Shares at the year end		10,724	10,704
Basic/Diluted Earning Per Share (in Rupees)	(A)/(B)	40,646	35,762
Nominal value of equity share (in Rupees)		10.00	10.00

2.22 Related Party Transactions:

Related Party Disclosure as required by Accounting Standard (As) - 18 "Related Party Disclosures" Issued by The Institute of Chartered Accountants of India:

Relationship

A) Name of the Holding company - Reliance Infrastructure Limited (Holding 74% Shares of the company).

B) Name of the company having significant influence - Jiangsu Provincial Transportation Engineering Group Co.,Ltd Limited (Holding 26% Shares of the company).

Details of transactions during the year and closing balances as at the end of the year:

Particulars	₹	
	Year ended March 31, 2016	Year ended March 31, 2015
Statement of Profit & Loss and Intangible Assets under development heads :		
Toll Operation & Maintenance Expenses	3,33,00,149	5,84,83,687
Reimbursement of Other Expenses	11,03,460	29,15,074
Project Execution Support Services	1,14,06,539	35,23,610
Reimbursement of Bank Guarantee Commission	49,65,890	-
Balance Sheet Heads (Closing Balances):		
Issue of Equity Share Capital	1,07,040	1,07,040
Sub-Ordinate Debts	8,28,51,06,899	-
Towards Creditors Outstanding	4,07,99,567	-
Transactions during the year:		
Sub-Ordinate Debts	8,28,51,06,899	7,18,05,25,529

PS Toll Road Private Limited

Notes annexed to and forming part of the Financial Statements for year ended 31st March 2016

2.23 Contingent Liabilities and Commitments

Particulars	₹	
	As at March 31, 2016	As at March 31, 2015
Estimated amount of contracts remaining unexecuted on capital account and not provided for (Net of Capital Advances)	2,27,98,52,156	5,63,84,24,087
	2,27,98,52,156	5,63,84,24,087

2.24 Segment Reporting

The Company operates in only one segment, namely "Toll Roads" hence there are no reportable segments under Accounting Standard 17 'Segment Reporting'.

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

There are no Micro and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The same has been relied upon by the auditors.

2.26 Amounts paid in earlier years towards service tax component on expenses incurred for construction and / or operation activities were accumulated for availing input service tax credit. Based on legal opinion obtained and subsequent reviews, it has been decided that input credit in respect of the same may not be available to the company, in the absence of any eligible output tax payable. Consequently, the tax credit which was hitherto being carried forward has been reversed with corresponding effect to the carrying cost of the asset of Rs. 3,34,56,924 and respective expenses of Rs. 6,76,61,562 .

2.27 The revised Scheduled Completion Date for the project as per the supplementary agreement signed between the company and NHA was 31-12-2015. However, the company has not been able to achieve the same for conditions not attributable to it for which it has applied for extension of time, which is under active consideration. Since, the delay are not attributable to it, the company doesn't anticipate any damages for the same.

2.28 Previous year figures have been regrouped and re-arranged to conform to current years classification.

As per our attached report of even date

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

Narendra Khandal
Partner
Membership No. : 065025

Place: Mumbai
Date: May 14, 2016

For and on behalf of the Board

Kaushik Pal
Director & CEO
DIN:05237230

Place: Mumbai
Date: May 14, 2016

Madan Biyani
Director & CFO
DIN:07130371