

TK TOLL ROAD PRIVATE LIMITED

**Financial Statements For
The Year Ended MARCH 2015**

INDEPENDENT AUDITOR'S REPORT

To the Members of T K Toll Road (P) Ltd.

Report on the Financial Statements

1. We have audited the accompanying financial statements of T K Toll Road (P) Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015, its loss and its cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. As required by section 143(3) of the Act, we further report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
 - e. on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act

- f. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) As per the best estimates made by the management on the basis of opinion taken, the Company is of the view that the ongoing litigations as at the reporting date would not have a material impact on its financial position;
 - ii) Based upon the assessment made by the company, there are no material foreseeable losses on its long term contracts that may require any provisioning.
 - iii) In view of there being no amount(s) required to be transferred to the Investor Education and Protection Fund for the year under audit the reporting under this clause is not applicable.

Annexure to Auditors' report

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

T K Toll Road (P) Limited

for the year ended on 31st March 2015

- (i) a) In our opinion and according to the information and explanations given to us, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) There is a phased programme for verification of fixed assets, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In our opinion, and according to the information and explanations given to us, the Company does not carry any Inventory. Hence, the reporting requirements under clause (ii) of paragraph 3 of the Order are not applicable to the Company.
- (iii) In our opinion, and according to the information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained pursuant to section 189 of the Act. Hence, the reporting requirements under sub-clause (a) and (b) of clause (iii) of paragraph 3 of the order are not applicable.
- (iv) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for activities relating to the operation and maintenance of intangible assets for collection of toll rights. The activities of the company during the year under audit did not involve purchase of inventory and sale of goods. During the course of our audit, we have neither observed nor been informed by the management of any continuing failure to correct major weaknesses in internal controls.
- (v) In our opinion, and according to the information and explanations given to us, the company has not accepted any deposits during the period under audit. Consequently, the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed there under are not applicable.
- (vi) We have broadly reviewed the cost records maintained by the company as specified by the Central Government under section 148 (1) of the Act and are of the opinion, that prima-facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax and other material statutory dues, as applicable, with the appropriate authorities in India;
- b) According to the information and explanations given to us, there are no applicable statutory dues which have not been deposited on account of any dispute.

- c) In view of there being no amount(s) required to be transferred to the Investor Education and Protection Fund for the year under audit the reporting under this clause is not applicable.
- (viii) The accumulated losses of the company as at the Balance sheet date are not more than 50% of the net worth of the company. However, the company has incurred cash loss of Rs. 445.38 Lacs and Rs. 25.85 Lacs during the current financial year and the immediately preceding financial year respectively.
- (ix) Based upon the audit procedures carried out by us and on the basis of the information and explanations provided by the management we are of the opinion that the company has not defaulted in repayment of dues to banks or financial institutions or debenture holders.
- (x) In our opinion, and according to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions. Therefore, the reporting requirements under clause (x) of paragraph 3 of the order are not applicable to the company.
- (xi) In our opinion, and according to the information and explanations given to us, the term loans have been ultimately applied for the purpose for which they are raised.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

TK Toll Road Private Limited
Balance Sheet as at 31st March,2015

Particulars	Note No.	As at March 31st, 2015		As at March 31, 2014	
		Rupees	Rupees	Rupees	Rupees
I. EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2.1	127,556,500		127,556,500	
Reserves and Surplus	2.2	<u>2,577,541,295</u>	2,705,097,795	<u>2,670,239,654</u>	2,797,796,154
Non-current liabilities					
Long-term borrowings	2.3	4,922,500,000		4,923,100,000	
Other Long term liabilities	2.4	186,172,638		186,065,649	
Long-term provisions	2.5	<u>1,350,106</u>	5,110,022,744	<u>1,064,267</u>	5,110,229,916
Current liabilities					
Trade Payables	2.6	6,907,724		-	
Other current liabilities	2.7	407,400,744		360,200,546	
Short-term provisions	2.8	<u>52,939</u>	414,361,407	<u>49,369</u>	360,249,915
Total			<u>8,229,481,946</u>		<u>8,268,275,985</u>
II. ASSETS					
Non-current assets					
Fixed Assets					
(i) Tangible Assets	2.09	10,821,951		2,376,763	
(ii) Intangible Assets	2.10	<u>8,147,380,554</u>	8,158,202,505	<u>8,199,847,377</u>	8,202,224,140
Long-term loans and advances	2.11		30,380,489		30,380,489
Current Assets					
Cash and cash equivalents	2.12	11,265,311		12,053,809	
Short-term loans and advances	2.13	<u>29,633,641</u>	40,898,952	<u>23,617,547</u>	35,671,356
Total			<u>8,229,481,946</u>		<u>8,268,275,985</u>

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

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

For M K P S & Associates
Chartered Accountants
Firm's Regn. No. 302014E

For and on behalf of the Board

Narendra Khandal
Partner
Membership No. : 065025

Mayank Jain
Director

Madan Biyani
Director

Place: Mumbai
Date:

Place: Mumbai
Date:

TK Toll Road Private Limited
Statement of Profit and Loss for the year ended 31st March, 2015

Particulars	Note No.	Year ended March 31st,2015 Rupees	Year ended March 31, 2014 Rupees
Revenue from Operations	2.14	460,438,493	48,308,372
Other Income	2.15	887,867	147,293
Total Revenue		461,326,360	48,455,665
EXPENSES			
Employee benefit expenses	2.16	12,349,807	610,987
Other Expenses	2.17	57,557,897	6,986,323
Finance costs	2.18	435,957,086	43,443,345
Depreciation & Amortisation Expense	2.09, 2.10	48,159,928	5,087,977
Total Expenses		554,024,719	56,128,631
Profit (Loss) before Tax		(92,698,359)	(7,672,967)
Tax Expenses		-	-
Profit (Loss) after Tax		(92,698,359)	(7,672,967)
Earnings Per equity share : (Face Value Rs. 10/-)			
Basic / Diluted	2.20	(7.27)	(0.60)
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 M K P S & Associates
Chartered Accountants
Firm's Regn. No. 302014E

For and on behalf of the Board

Narendra Khandal
Partner
Membership No. : 065025

Mayank Jain
Director

Madan Biyani
Director

Place: Mumbai
Date:

Place: Mumbai
Date:

TK Toll Road Private Limited
Cash Flow Statement for the year ended March 31st, 2015

Particulars	Year ended March 31st,2015 Rupees	Year ended March 31, 2014 Rupees
Cash Flow from/ (used in) Operating Activities		
Net Profit/ (Loss) before Tax	(92,698,359)	(7,672,967)
Adjustments for:		
Dividend Income	(887,867)	(110,839)
Deprication	48,159,928	-
Interest Income	-	(36,454)
Interest & Finance Charges	435,957,086	43,443,345
Adjustments for:		
Trade and Other receivables	(6,016,094)	-
Trade Payables	10,604,319	-
Cash Flow from/ (used in) Operating Activities	[A] 395,119,014	35,623,085
Cash flow from/ (used in) Investing Activities		
Purchase/Acquisition of Fixed Asset	(4,138,294)	(406,850,901)
Interest Income	-	36,454
Dividend on Mutual Fund	887,867	110,839
Cash flow from/ (used in) Investing Activities	[B] (3,250,427)	(406,703,609)
Cash flow from/ (used in) Financing Activities		
Proceeds from Long-term borrowings	43,300,000	1,114,900,000
Repayment of Short Term Borrowings	-	(690,700,000)
Interest & Finance Charges	(435,957,086)	(43,443,345)
Net cash generated from/ (used in) Financing Activities	[C] (392,657,086)	380,756,655
Net (Decrease)/ Increase in Cash and Cash	[A+B+C] (788,499)	9,676,131
Cash and Cash equivalents as at the commencement of the year	12,053,809	2,377,678
Cash and Cash equivalents as at the end of the year	11,265,311	12,053,809
Net (Decrease)/ Increase in Cash and Cash equivalents	(788,498)	9,676,131

Previous period 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 M K P S & Associates

Chartered Accountants
Firm's Regn. No. 302014E

For and on behalf of the Board

Narendra Khandal

Partner
Membership No. : 065025

Mayank Jain

Director

Madan Biyani

Director

Place: Mumbai

Date:

Place: Mumbai

Date:

TK Toll Road Private Limited

Significant Accounting Policies and Notes to Financial statements forming part of accounts for year ended 31st March 2015

INTRODUCTION:

The Company has been awarded on Build, Operate and Transfer (BOT) basis, strengthening of the existing carriageway from Km. 138.80 to Km. 218 on the Trichy – Karur section of National Highway No. 67 in the State of Tamil Nadu and widening thereof to 4 lanes and its improvement, operation and maintenance through a concession on Build, Operate and Transfer (BOT) basis under the Concession Agreement dated July 19, 2007 with National Highways Authority of India. The Concession Agreement is for a year of 30 years from January 15, 2008, being the appointed Date stated in clause 1.1 of the said agreement. The Company is a wholly owned subsidiary of Reliance Infrastructure Ltd.

1 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 Disclos

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 Recognition & Accounting of Grant:

Grants / Capital contributions are recognized in financial statements when there is a reasonable assurance that the underlying conditions have been complied and grant will be received.

In accordance with Accounting Standard – 12 "Accounting for Government Grants" issued by ICAI, grants received from government authorities in the nature of promoters contribution towards meeting the capital cost of the project are treated as capital reserves.

1.4 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.

1.5 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.

1.6 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.

1.7 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.

1.8 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.

1.9 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.

1.10 Employee Benefits :

Contributions to defined contribution schemes such as provident fund, superannuation funds etc. are charged to Statement of Profit and Loss / Capital Work-in-Progress, 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 / Capital Work-in-Progress, 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 / Capital Work-in-Progress, as may be applicable.

1.11 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.

1.12 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.

1.13 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.

1.14 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.

1.15 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.



TK Toll Road Private Limited
Notes to Financial Statements for the year ended 31st March,2015

Note 2.1 Share Capital

	31-Mar-15 Rs.	31-Mar-14 Rs.
Authorized		
Equity Shares Rs. 10 par value		
16,000,000 (16,000,000) Equity Shares	160,000,000	160,000,000
	<u>160,000,000</u>	<u>160,000,000</u>
Issued, Subscribed and Paidup		
Equity Shares Rs. 10 par value		
12755650 (12755650) Equity Shares	127,556,500	127,556,500
	<u>127,556,500</u>	<u>127,556,500</u>
Reconciliation of shares		
No. of shares at the beginning of the year	12,755,650	12,755,650
Add : No. of Shares Issued during the year	-	-
	<u>12,755,650</u>	<u>12,755,650</u>
No. of Shares at the end of the year	12,755,650	12,755,650

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

Shareholders holding more than 5% of shares :

Name	No.of Shares	Amount	No.of Shares	Amount
Reliance Infrastructure Limited	6,250,267	62,502,670	6,250,267	62,502,670
Space Trade Enterprises Private Limited	2,082,998	20,829,980	2,082,998	20,829,980
Trustee : Space Trade Enterprises Private Limited(Trust: Reliance Toll Road Trust)	255,113	2,551,130	255,113	2,551,130
Spice Commerce and Trade Private Limited	2,084,273	20,842,730	2,084,273	20,842,730
Skyline Global Trade Private Limited	2,082,998	20,829,980	2,082,998	20,829,980
Total	12,755,649	127,556,490	12,755,649	127,556,490

Note 2.2 Reserves and Surplus

Capital Reserves

Grant received from NHAI as Promoter Contribution

Opening Balance	1,342,600,000	1,342,600,000
Addition during the year	-	-
Closing Balance	1,342,600,000	1,342,600,000

Securities Premium Reserve

Opening Balance	1,337,143,500	1,337,143,500
Addition during the year	-	-
Closing Balance	1,337,143,500	1,337,143,500

Statement of Profit & Loss

Opening balance	(9,503,846)	(1,830,879)
Transferred from Statement of Profit and Loss	(92,698,359)	(7,672,967)
Closing Balance	(102,202,205)	(9,503,846)

2,577,541,295

2,670,239,654

TK Toll Road Private Limited

Notes to Financial Statements for the year ended 31st March,2015

	31-Mar-15 Rs.	31-Mar-14 Rs.
Note 2.3 Long-term borrowings(Secured)		
Term Loans From		
- Banks	2,817,700,000	3,009,100,000
- Financial Institutions	727,100,000	711,300,000
Note:		
Secured by:		
a) First mortgage and charge of all immovable properties, present and future		
b) First charge by way of hypothecation of all movable assets, both present and future, save and except the project Assets.		
c) First charge on all intangible assets save and except Project assets.		
d) First Charge on receivables, book debts, cash and cash equivalents including any other bank accounts and other assets, present and future.		
e) First Charge on government approvals, insurance policies, uncalled capital, project documents, guarantees, letter of credit, performance warranties, indemnities, and securities given to the Company.		
f) Repayment Terms :- The repayment of loan has started from 31 Dec 2011 in 48 quarterly installments and will be paid till 30th September 2023. The interest will be paid monthly as per the applicable Interest rates.		
g) The applicable interest rate shall be reset on the Interest Reset Date(s) (IRD). The Reset Interest Rate shall be difference expressed between PLR of the Lead Bank prevailing on such IRD(s) and Spread. The PLR shall remain unchanged till the next IRD.		
Unsecured		
Sub Ordinate Debts from Holding Company	1,377,700,000	1,202,700,000
Total	4,922,500,000	4,923,100,000
Note 2.4 Other Long term liabilities		
Retention Payable	186,172,638	186,065,649
Total	186,172,638	186,065,649
Note 2.5 Long Term Provisions		
Provision for Leave Encashment	1,349,883	1,064,267
Provision for Gratuity	223	-
Total	1,350,106	1,064,267
Note 2.6 Trade Payables		
Trade Payables	6,907,724	-
Total	6,907,724	-
Note 2.7 Other current liabilities		
Current Maturities of Long term Debts	131,700,000	87,800,000
Other Current Laibilities	6,540,868	4,724,065
Creditors for Capital Expenditure	269,159,876	267,676,481
Total	407,400,744	360,200,546
Note 2.8 Short term provisions		
Provision for Leave Encashment	52,939	49,369
Total	52,939	49,369

TK Toll Road Private Limited
Notes to Financial Statements for the year ended 31st March,2015
Note 2.09 Tangible Assets

Rupees

Particulars	Gross Block			Depreciation			Net Block		
	As at April 01, 2014	Additions	Disposal	As at March 31st,2015	As at April 01, 2014	Additions during the year	As at March 31st,2015	As at March 31st,2015	As at March 31,2014
Office Equipments	2,721,182	9,085,169	-	11,806,351	598,422	603,422	1,201,844	10,604,507	2,122,760
Furniture and Fixtures	526,437	130,000	-	656,437	272,434	166,559	438,993	217,444	254,003
Capital Work In Progress	-	-	-	-	-	-	-	-	-
Total	3,247,619	9,215,169	-	12,462,788	870,856	769,981	1,640,837	10,821,951	2,376,763
Previous Year	1,809,740	1,437,879	-	3,247,619	506,928	363,929	870,856	2,376,763	

Note 2.10 Intangible Assets

Rupees

Particulars	Gross Block			Depreciation			Net Block		
	As at April 01, 2014	Additions	Disposal	As at March 31st,2015	As at April 01, 2014	Additions during the year	As at March 31st,2015	As at March 31st,2015	As at March 31,2014
Intangible Assets									
Computer Software	341,945	-	-	341,945	324,850	-	324,850	17,095	17,095
Toll Collection rights	8,204,791,198	-	5,076,875	8,199,714,323	4,960,916	47,389,948	52,350,864	8,147,363,459	8,199,830,282
Total	8,205,133,143	-	5,076,875	8,200,056,268	5,285,766	47,389,948	52,675,714	8,147,380,554	17,095
Previous Year	341,945	8,204,791,198	-	8,205,133,143	323,859	4,961,906	5,285,766	8,199,847,377	

TK Toll Road Private Limited**Notes to Financial Statements for the year ended 31st March,2015**

Particulars	31-Mar-15 Rs.	31-Mar-14 Rs.
Note 2.11 Long term loans & Advances		
Capital Advances	30,380,489	30,380,489
Total	30,380,489	30,380,489
Note 2.12 Cash and Cash Equivalents		
Balances with banks		
- Current Account	9,476,601	7,759,664
Cash at Toll Plaza	1,788,710	4,294,145
Total	11,265,311	12,053,809
Note 2.13 - Short Term Loans and Advances		
Advances recoverable in cash or in kind or for value to be received	27,047,079	21,709,880
Advance tax and Tax Deducted at Source (Net of Provision)	2,018,562	1,469,667
Others Receivable	568,000	438,000
Total	29,633,641	23,617,547

TK Toll Road Private Limited**Notes to Financial Statements for the year ended 31st March,2015**

	31-Mar-15	31-Mar-14
	Rs.	Rs.
Note 2.14 Revenue from Operations		
Sale of services - Toll Collection	460,438,493	48,308,372
TOTAL	460,438,493	48,308,372
Note 2.15 Other Income		
Interest Income	-	36,454
Dividend Income	887,867	110,839
TOTAL	887,867	147,293
Note 2.16 Employee benefit expenses		
Salary & wages	11,705,886	427,791
Contributions to -		
Provident fund	500,012	41,812
Gratuity fund contributions	143,909	141,384
TOTAL	12,349,807	610,987
Note 2.17 Other Expenses		
Rent	158,439	63,491
Travelling and Conveyance	2,477,411	74,480
Communication Expenses	389,800	20,685
Printing & Stationery	365,206	511,873
Insurance Charges	2,534,266	1,464,262
Electricity Expenses	2,878,434	213,786
<u>Auditors Remuneration</u>		
For Audit Fees	350,000	35,417
For Certification charges	39,500	-
Legal And Professional Charges	9,265,830	1,526,247
Toll Operation & Maintenance Expense	37,920,948	1,934,676
Other Miscellaneous Expense	1,178,063	1,141,407
	57,557,897	6,986,323
Note 2.18 Finance Charges		
Interest Exps	432,394,886	43,443,345
Other Finance Charges	3,562,200	-
TOTAL	435,957,086	43,443,345

506,634,771

506,634,770

TK Toll Road Private Limited
Notes to financial statements for the year ended 31st March 2015

2.19 Earning per Share

Particulars		Year ended March 31st,2015	Year Ended March 31st, 2014
Basic / Diluted Earning Per Share:			
Profit after taxation as per Statement of Profit and Loss	(A)	(92,698,359)	(7,672,966.78)
Weighted average number of Equity Shares Outstanding	(B)	12,755,650	12,755,650.00
Basic Earning Per Share (in Rupees)	(A)/(B)	(7.27)	(0.60)
Nominal value of equity share (in Rupees)		10	10

2.20 Related Party Transaction

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

The following transactions were carried out with the related parties in the ordinary course of business:

NATURE OF TRANSACTIONS:	(In Rs.)	
	April to Mar 2015	April to Mar 2014
Expenses debited into Intangible Assets Under Development		
Reimbursement of Other Exps.	-	332,938
Expenses debited into Statement of Profit & Loss		
Toll Operation & Maintenance Expenses	3,055,640	505,949
Reimbursement of Other Exps.	279,678	-
Borrowing		
Inter Corporate Deposit	-	(690,700,000)
Sub-Ordinate Debts	175,000,000	1,202,700,000
OUTSTANDING AT THE YEAR END		
CREDIT		
Issue of Equity Share Capital	127,556,500	127,556,500
Security Premium	1,337,143,500	1,337,143,500
Sub-Ordinate Debts	1,377,700,000	1,202,700,000
Towards Exps.	2,889,262	381,441

In view of there being no transactions with fellow subsidiaries, the name of all the fellow subsidiaries have not been given.

TK Toll Road Private Limited
Notes to financial statements for the year ended 31st March 2015

2.21 Retirement Benefits:

Disclosure as required by Accounting Standard (AS) - 15 (Revised 2005) "Employee Benefits" issued by ICAI 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

(B) 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 services 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(during previous years)/statement of Profit & Loss are as follows:

(i) Defined Benefit Plan	Leave Encashment		Gratuity	
	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2015	Year Ended March 31, 2014
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Current service cost	2.72	3.03	2.12	2.35
Interest cost on benefit obligation	1.21	0.98	1.13	0.91
Expected return on plan assets		-	(0.94)	(0.93)
Net actuarial gain/(loss) recognised during the year	0.38	(2.33)	1.20	(0.92)
Losses or (gains) on acquisition / divestiture			(3.50)	-
Amount not recognised as asset			-	-
Current service cost included under the head payments to Contribution and Other Funds in Intangible Assets Under Development	4.31	1.68	0.01	1.41

(ii) Defined Contribution Plan	Provident Fund	
	Year Ended March 31, 2015	Year Ended March 31, 2014
	(Rs. in lacs)	(Rs. in lacs)
Current service cost included under the head payments to Contribution and Other Funds in Intangible Assets Under Development	3.28	3.80

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

	Leave Encashment		Gratuity	
	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2015	Year Ended March 31, 2014
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Present value of funded obligation		-	15.40	10.77
Present value of Unfunded obligation	14.02	11.14		
Less: Fair value of plan assets	-	-	(15.40)	(11.58)
Amount not recognised as asset			-	-
Net Asset/ (liabilities) recognised in balance sheet	(14.02)	(11.14)	-	0.81

c) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balance				
	Leave Encashment		Gratuity	
	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2015	Year Ended March 31, 2014
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Opening defined benefit obligation	11.14	9.45	10.77	9.17
Interest cost	1.21	0.98	1.12	0.91
Current service cost	2.72	3.03	2.12	2.34
Benefits paid	(1.42)	-		
Liabilities assumed on Acquisition/(Settled on Divestiture)		-		-
Actuarial (gains)/loss on obligation	0.38	(2.33)	1.39	(1.65)
Closing defined benefit obligation	14.03	11.13	15.40	10.77
d) Changes in the fair value of plan assets are as follows:				
	Leave Encashment		Gratuity	
	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2015	Year Ended March 31, 2014
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Opening fair value of plan assets	-	-	11.58	11.39
Expected return	-	-	0.94	0.93
Contributions made by employer during the year	1.42	-	-	-
Benefits paid	-	-	-	-
Assets acquired on Acquisition/9Settled on Divestiture)			3.49	-
Actuarial Gain/(Loss) on plan assets	-	-	(0.61)	(0.74)
Closing fair value of plan assets	1.42	-	15.40	11.58
e) Expected contribution to defined benefit plan for the year 2015-16				
	Leave Encashment (Rs. in lacs)		Gratuity (Rs. in lacs)	
	0.53		4.00	
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, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
	%	%	%	%
Investments with insurer under: (a) Funds Managed by Insurer	-	-	100.00	100.00
g) The principal actuarial assumptions at the Balance Sheet date.				
	Leave Encashment		Gratuity	
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
Discount rate	7.85%	8.00%	7.85%	8.00%
Expected rate of return on plan assets	0.00%	0.00%	8.25%	8.25%
Mortality Rate	As per Ult tables	As per Ult tables	As per Ult tables	As per Ult tables
Proportion of employees opting for early retirement	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.				

TK Toll Road Private Limited

Notes to financial statements for the year ended 31st March'2015

2.22 The scheduled project completion date as per Schedule – H to the concession agreement with NHAI was due on 29th May 2010 which could not be achieved for reasons attributable to NHAI. Accordingly, Independent Consultant appointed from the panel of NHAI has recommended for extension of COD to March 31, 2011 and in view of COD not achieved by March 31, 2011 for reasons attributable to NHAI, the company has represented to the Independent Consultant vide various letters for further extension of time, which are under consideration. The company vide its letter dated March 28, 2013 to the Independent Consultant has sought extension of time till March 11, 2015 and extension of Consession Period till September 11, 2042.

Further, during the year supplementray agreement between the company and NHAI has been executed whereunder some dates have been revised.

In view of above, the company does not anticipate any demand from NHAI for non-achievement of Milestone.

2.23 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, 2015. 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.

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 Deferred Tax Asset / liability

On consideration of prudence no deferred tax assets in respect of timing differences have been recognised.

2.26 The company had carried out certain activities beyond the envisaged scope of work for which it had raised claims on NHAI for expenses on change of scope. The company has received an interim payment which has been reduced from the cost of the project as the cost incurred was included in the cost.

2.27 Previous year figures have been regrouped and re-arranged to confirm to current year's classification.

As per our attached report of even date

For M K P S & Associates
Chartered Accountants
Firm's Regn. No. 302014E

For and on behalf of the Board

Narendra Khandal

Partner
Membership No. : 65025
Place: Mumbai
Date:

Mayank Jain

Director
Place: Mumbai
Date:

Madan Biyani

Director