



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

**Report on the Financial Statements**

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

**Management's Responsibility for the Standalone Financial Statements**

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

**Auditor's Responsibility**

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

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

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

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

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

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

### **Opinion**

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

### **Report on Other Legal and Regulatory Requirements**

7. As required by the Companies (Auditor's Report) Order 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure - "A" a statement on the matters specified in paragraphs 3 and 4 of the order.
8. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the company and the operating effectiveness of such controls, we give our separate report in "Annexure - B".

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

**For MKPS & Associates**  
**Chartered Accountants**  
**FRN 302014E**

**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 Latur Airport Private Limited for the year ended March 31, 2016**

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

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

**For MKPS & Associates**  
**Chartered Accountants**  
**FRN 302014E**

**CA Narendra Khandal**  
**Partner**  
**M No. 065025**

**Mumbai, May 14, 2016**

**Annexure – B to the Independent Auditors Report**

**Referred to in para 8 of our report of even date, to the members of Latur Airport Private Limited for the year ended March 31, 2016**

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

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

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For MKPS & Associates**  
**Chartered Accountants**  
**FRN 302014E**

**CA Narendra Khandal**  
**Partner**  
**M No. 065025**

**Mumbai, May 14, 2016**

**LATUR AIRPORT PRIVATE LIMITED**

**ACCOUNTS FOR  
THE FY 2015 - 2016**



**Latur Airport Private Limited**  
**Balance Sheet as at 31st March 2016**

Particulars	Note No.	As at 31st March 2016 ₹	As at 31st March 2015 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2.1	8,280,380	8,280,380
Reserves and surplus	2.2	<u>36,192,832</u>	<u>38,969,175</u>
		44,473,212	47,249,555
<b>Non-Current Liabilities</b>			
Long-term borrowings	2.3	19,128,731	18,378,731
Long-term provisions		<u>-</u>	<u>-</u>
		19,128,731	18,378,731
<b>Current Liabilities</b>			
Trade payables	2.4	948,575	1,052,978
Other current liabilities	2.5	<u>38,417</u>	<u>37,140</u>
		986,992	1,090,118
<b>Total</b>		<u><u>64,588,935</u></u>	<u><u>66,718,404</u></u>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed Assets</b>			
Tangible assets	2.6	3,710,399	4,685,198
Intangible assets		<u>58,010,327</u>	<u>58,665,846</u>
Long-term loans and advances	2.7		<u>177,418</u>
		61,720,726	63,351,044
<b>Current Assets</b>			
Current investments	2.8		731,750
Cash and cash equivalents	2.9	157,478	110,666
Short-term loans and advances	2.10	<u>542,296</u>	<u>2,347,526</u>
		1,991,017	2,347,526
<b>Total</b>		<u><u>64,588,935</u></u>	<u><u>66,718,404</u></u>

Significant Accounting Policies and Notes on Financial Statements

1 & 2

**For M K P S & Associates**

Firm Registration No.: 302014E  
Chartered Accountants

**For and on behalf of the Board**

**CA Narendra Khandal**  
Partner  
Membership No. : 065025

**Binu Varghese**  
Director

**Shailendra Jain**  
Director

Place: Mumbai  
Date:

14 MAY 2016

Place: Mumbai  
Date:

14 MAY 2016

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

Particulars	Note No.	Year ended 31st March 2016 ₹	Year ended 31st March 2015 ₹
I. Revenue from operations	2.11	954,423	2,777,132
II. Other income	2.12	229,881	572,000
<b>III. Total Revenue (I + II)</b>		<b>1,184,304</b>	<b>3,349,132</b>
<b>Expenses:</b>			
Employee benefit expense	2.13	407,748	361,170
Other expenses	2.14	1,922,762	1,742,809
Depreciation and amortisation Expense	2.5	1,630,317	1,758,510
<b>IV. Total Expenses</b>		<b>3,960,827</b>	<b>3,862,489</b>
<b>V. Profit before Tax (III - IV)</b>		<b>(2,776,523)</b>	<b>(513,357)</b>
<b>VI. Tax Expenses</b>			
(2) Income Tax for earlier years		-	90
<b>VII. Profit (Loss) after tax (V - VI)</b>		<b>(2,776,523)</b>	<b>(513,447)</b>
<b>VIII. Earning Per equity share :</b>			
- Basic & Diluted	2.15	(3.35)	(0.62)

Significant Accounting Policies and Notes on Financial Statements

1 & 2

As per our report of even date

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

**For and on behalf of the Board**

CA Narendra Khandal  
 Partner  
 Membership No. : 065025

Binu Varghese  
 Director

Shailendra Jain  
 Director

Place: Mumbai  
 Date: 14 MAY 2016

Place: Mumbai  
 Date: 14 MAY 2016

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

Particulars		Year ended	Year ended
		31st March 2016	31st March 2015
		₹	₹
<b>A. Cash Flow from/ (used in) Operating Activities</b>			
Net Profit/ (Loss) after Tax		(2,776,523)	(513,447)
Depreciation and Amortisation Expenses		1,630,317	1,758,510
Dividend Received on Mutual Fund Investments		-	(31,750)
Profit on Sale of Mutual Fund		(26,728)	-
Interest Income		(5,914)	(565.00)
<b>Operating Profit before Working capital changes</b>		<b>(1,177,848)</b>	<b>1,212,748</b>
<b>Adjustments for:</b>			
Trade and Other receivables		445,282	179,258
Trade and other liabilities		(103,126)	(656,761)
Income Taxes Paid		(88,773)	(195,079)
<b>Cash Flow from/ (used in) Operating Activities</b>	<b>[A]</b>	<b>(924,465)</b>	<b>540,166</b>
<b>B. Cash flow from/ (used in) Investing Activities</b>			
Purchase of Mutual Funds		-	(731,750)
Redemption of Mutual Funds		574,273	-
Dividend Received on Mutual Fund Investments		-	31,750
Profit on Sale of Mutual Fund		25,728	-
Interest Income		5,914	585
Proceeds from Long Term Borrowings		750,000	-
<b>Cash flow from / (used in) Investing Activities</b>	<b>[B]</b>	<b>1,355,915</b>	<b>(699,435)</b>
<b>C. Cash flow from/ (used in) Financing Activities</b>			
<b>Net cash generated from/ (used in) Financing Activities</b>	<b>[C]</b>	<b>-</b>	<b>-</b>
<b>Net (Decrease)/ Increase in Cash and Cash equivalents</b>	<b>[A+B+C]</b>	<b>431,630</b>	<b>(159,268)</b>
Cash and Cash equivalents as at the commencement of the period (Opening Balance)		110,666	269,934
Cash and Cash equivalents as at the end of the period (Closing Balance)		542,296	110,666
<b>Net (Decrease)/ Increase in Cash and Cash equivalents</b>		<b>431,630</b>	<b>(159,268)</b>

The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.

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

As per our report of even date

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

**For and on behalf of the Board**

CA Narendra Khandal  
 Partner  
 Membership No. : 065025

Binu Varghese  
 Director

Shajendra Jain  
 Director

Place: Mumbai  
 Date:

14 MAY 2016

Place: Mumbai  
 Date:

14 MAY 2016

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

**Note 1 Significant Accounting Policies**

**Introduction:**

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

The Company has entered into Lease Agreement with Maharashtra Industrial Development Corporation ("the MIDC") on November 3, 2009 to Design, Develop, Upgrade, Finance, Operate, Maintain and Manage the Airport at Latur. Pursuant to the terms and conditions of the Agreement, the company has been assigned and conveyed the exclusive lease rights of the immovable and movable property for a period of 95 years.

**a) Basis of Preparation**

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

**b) Use of Estimate:**

The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as on date of the financial statements and reported amount of revenue and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods. Difference between the actual results and estimates is recognised in the period in which the results are known / materialized.

**c) Investments**

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

**d) Revenue Recognition Policy:**

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

Revenue from these services is recognized as follows:

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

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

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

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

**e) Fixed Assets**

Fixed assets are depreciated under the 'Straight Line Method' as per the rates and in the manner prescribed under Schedule II of the Companies Act, 2013.

**Tangible Assets**

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

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

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

**Intangible Assets**

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

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

**f) Depreciation / Amortisation:**

**Tangible Assets:**

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

**Intangible Assets:**

The Upfront Premium paid to the MIDC and attributable cost thereon is amortized over a period of Ninety five (95) years, from the date of signing the Lease Agreement.

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

**g) Retirement Benefits**

Contributions to defined contribution schemes such as Provident fund, superannuation fund, etc. are charged to Profit and Loss Account. The Company also provides for retirement benefits in the form of gratuity and leave encashment. Such defined benefits are charged to Statement of Profit and Loss, based on actuarial valuations, as at the balance sheet date, made by independent actuaries.

**h) Taxation**

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 recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

**i) Foreign Exchange Transactions**

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

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

**j) Impairment of Assets**

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

**k) Borrowing Costs:**

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

**l) Provisions**

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

**m) Contingent liabilities:**

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

**n) Cash and cash equivalents:**

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

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

	31st March 2016		31st March 2015	
	Nos.	₹	Nos.	₹
<b>Authorized</b>				
Equity Shares Rs. 10 par value	1,000,000	10,000,000	1,000,000	10,000,000
		10,000,000		10,000,000
<b>Issued</b>				
Equity Shares Rs. 10 par value	828,038	8,280,380	828,038	8,280,380
		8,280,380		8,280,380
<b>Subscribed and Fully Paidup</b>				
Equity Shares Rs. 10 each fully paidup (All Shares are held by Reliance Infrastructure Limited and Reliance Airport Developers Private Limited)	828,038	8,280,380	828,038	8,280,380
		8,280,380		8,280,380
<b>Reconciliation of shares</b>				
No. of shares at the beginning of the year	828,038	8,280,380	816,538	8,165,380
Add : No. of Shares Issued during the year	-	-	11,500	115,000
No. of Shares at the end of the year	828,038	8,280,380		8,280,380

**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**

- Ultimate Holding Company (M/s Reliance Infrastructure Limited)
- Its Holding Company (M/s Reliance Airport Developers Private Limited)

	No. of Shares	Amount	No. of Shares	Amount
- Ultimate Holding Company (M/s Reliance Infrastructure Limited)	215,287	2,152,870	215,287	2,152,870
- Its Holding Company (M/s Reliance Airport Developers Private Limited)	612,751	6,127,510	612,751	6,127,510
	828,038	8,280,380	828,038	8,280,380

**Shareholders holding more than 5% of shares :**

Name	No. of Shares	% of shareholding	No. of Shares	% of shareholding
Reliance Infrastructure Limited	215,287	26%	215,287	26%
Reliance Airport Developers Private Limited	612,751	74%	612,751	74%
<b>TOTAL</b>	828,038	100%	828,038	100%

**Note 2.2 Reserves and Surplus**

**Securities Premium Account**

Opening Balance	73,623,420	73,623,420
Add : Securities premium credited on Share Issued during the year	-	-
Closing Balance	73,623,420	73,623,420

**Surplus**

**Profit and Loss Account**

Opening Balance	(34,654,065)	(34,140,798)
(+) Net Profit/(Net Loss) For the current year	(2,776,523)	(513,267)
Closing Balance	(37,430,588)	(34,654,065)

<b>TOTAL</b>	36,192,832	38,969,355
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**Latur Airport Private Limited**  
**Notes on Financial Statements for the year ended 31st March 2016**

	31st March 2016	31st March 2015
	₹	₹
<b>Note 2.3 Long Term Borrowings</b>		
<b>Loans and advances from related parties</b>		
- from Holding Company	18,455,011	17,900,011
Sub Ordinate Debts from Reliance Infrastructure Limited, Holding Company	673,720	478,720
<b>TOTAL</b>	<b>19,128,731</b>	<b>18,378,731</b>
<b>Note 2.4 Trade Payables</b>		
Trade payables	948,575	1,052,978
(Amount due to Micro and Small Enterprises NIL)		
<b>TOTAL</b>	<b>948,575</b>	<b>1,052,978</b>
<b>Note 2.5 Other current Liabilities</b>		
Statutory and Other Current Liabilities	38,417	37,140
<b>TOTAL</b>	<b>38,417</b>	<b>37,140</b>

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

Note 2.6

a) Tangible Assets

Particulars	Gross Block			Depreciation / Amortisation		Net Block		As at 31st March 2015
	As at 01st April 2015	Additions / Disposals	As at 31st March 2016	As at 01st April 2015	Additions during the period	As at 31st March 2016	As at 31st March 2016	
Buildings	97,193	-	97,193	97,193	-	97,193	-	3,565,346
Buildings - Leasehold Improvements	6,274,827	-	6,274,827	2,689,481	396,673	3,586,154	2,688,673	674,363
Plant & Machinery	857,845	-	857,845	183,492	36,991	220,483	637,362	218,927
Furniture & Fixtures	326,000	-	326,000	107,673	27,890	135,563	190,437	171,251
Vehicles	264,882	-	264,882	93,631	13,244	106,875	158,007	35,921
Office Equipment	221,178	-	221,178	185,257	-	185,258	35,920	4,685,198
<b>Total (A)</b>	<b>8,041,925</b>	<b>-</b>	<b>8,041,925</b>	<b>3,356,727</b>	<b>974,798</b>	<b>4,331,526</b>	<b>3,710,399</b>	

b) Intangible Assets\*\*

The component of Intangible assets are as under:

Particulars	Gross Block			Depreciation / Amortisation		Net Block		As at 31st March 2015
	As at 01st April 2015	Additions / Disposals	As at 31st March 2016	As at 01st April 2015	Additions during the period	As at 31st March 2016	As at 31st March 2016	
Upfront Premium	62,274,350	-	62,274,350	3,608,504	655,519	4,264,023	58,010,327	58,665,846
<b>Total (B)</b>	<b>62,274,350</b>	<b>-</b>	<b>62,274,350</b>	<b>3,608,504</b>	<b>655,519</b>	<b>4,264,023</b>	<b>58,010,327</b>	<b>58,665,846</b>



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

	31st March 2016 ₹	31st March 2015 ₹
<b>Note 2.7 Long Term Loans and Advances</b>		
<b>Unsecured Considered Good</b>		
Security Deposit	177,418	177,418
<b>TOTAL</b>	<b>177,418</b>	<b>177,418</b>
<b>Note 2.8 Current Investments</b>		
<b>Lower of cost or market value</b>		
<b>Trade Investments</b>		
Reliance Liquid Fund - Growth Option (Quoted)	157,478	731,750
<b>Total</b>	<b>157,478</b>	<b>731,750</b>
<b>Note 2.9 Cash and Cash Equivalents</b>		
Balances with banks	542,296	110,666
<b>Total</b>	<b>542,296</b>	<b>110,666</b>
<b>Note 2.10 Short Term Loans and Advances</b>		
<b>Unsecured Considered Good</b>		
<b>Others:</b>		
Advance Income Tax	88,773	195,079
Advance Recoverable in cash or in kind or for value to be received	1,894,055	2,144,258
Advance to Vendors	8,189	8,189
<b>Total</b>	<b>1,991,017</b>	<b>2,347,526</b>

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

	As at 31st March 2016 ₹	As at 31st March 2015 ₹
<b>Note 2.11 - Revenue from Operations</b>		
Aeronautical Income	950,703	2,772,012
Non-Aeronautical Income	3,720	5,120
	<b>954,423</b>	<b>2,777,132</b>
<b>Note 2.12 - Other Income</b>		
Profit on Sale of Investment/Assets	25,728	-
Interest - Other	5,914	565
Miscellaneous Income	198,239	539,685
	<b>229,881</b>	<b>572,000</b>
<b>Note 2.13 - Employee Benefit Expense</b>		
Salaries and Wages	332,748	286,170
Staff welfare expenses	75,000	75,000
	<b>407,748</b>	<b>361,170</b>
<b>Note 2.14 - Other Expenses</b>		
Telephone Expenses	20,641	16,364
Electricity Charges	102,820	103,912
Insurance Premium	479,207	306,787
Printing & Stationery	3,329	4,114
Travelling & Conveyance Expenses	2,455	15,691
Remuneration to Auditors		
- Audit Fees	18,675	17,925
Repairs & Maintenance charges		
- Buildings	135,565	42,824
- Plant & Machinery	27,933	12,613
- Other Assets	101,405	186,335
Professional Fees	245,112	286,233
Water Expenses	38,556	100,676
Miscellaneous Expenses	13,221	55,349
Security Expenses	733,841	593,985
	<b>1,922,762</b>	<b>1,742,809</b>

**Latur Airport Private Limited**

**Notes annexed to and forming part of the Financial Statements**

**Note 2.15 Earnings per Share**

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

Particulars	As at	As at
	31st March 2016	31st March 2015
	₹	₹
Basic / Diluted Earning Per Share:		
Profit after taxation as per Profit and Loss Account	- 27 76 523	- 25 55 571
Weighted average number of Equity Shares Outstanding	8 28 038	82 80 380
Basic / Diluted Earning Per Share	-3.35	-0.31
Nominal value of equity share	10.00	10.00

**Note 2.16 Related Party Disclosures**

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

a. Details of Related parties, where control exists:

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

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

Nature of Transactions	Name of the related party	Outstanding balance as at	Transactions during the Year	Balance as on
		01 April 2015		31 March 2016
		₹	₹	₹
Equity Share Capital	Reliance Airport Developers Private Limited	6,127,481	-	6,127,481
	Reliance Infrastructure Limited	2,152,899	-	2,152,899
Security Premium	Reliance Airport Developers Private Limited	54,481,331	-	54,481,331
	Reliance Infrastructure Limited	19,142,089	-	19,142,089
Sub Ordinate Debt received	Reliance Airport Developers Private Limited	17,900,011	555,000.00	18,455,011
	Reliance Infrastructure Limited	478,720	195,000.00	673,720

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

**Note 2.17 Contingent liabilities and capital commitments**

Particulars	As at 31st March 2016	As at 31st March 2015
	₹	₹
<b>Contingent Liabilities</b>		
Performance Guarantee given to ICICI Bank Limited by Reliance Infrastructure Limited	50 00 000	50 00 000

**Note 2.18 Micro and small enterprises as defined under the MSMED Act, 2006**

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

**Note 2.19 Segment Reporting**

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

**Note 2.20** In the opinion of the management, the Current Assets, Loans and Advances and Current Liabilities are approximately of the value stated, if realised / paid in the ordinary course of business. The provision for all known liabilities is adequate and is not in excess of amounts considered reasonably necessary.

**Note 2.21** In view of carried forward losses, the company has not recognised Deferred tax considering prudence

**Note 2.22** Previous year figures have been regrouped and re-arranged wherever necessary to correspond to current year's classification.

As per our report of even date

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

**For and on behalf of the Board**

**CA Narendra Khandal**  
 Partner  
 Membership No. : 065025

**Binu Varghese**  
 Director

**Shailendra Jain**  
 Director

Place: Mumbai  
 Date: **14 MAY 2016**

Place: Mumbai  
 Date: **14 MAY 2016**