

THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
New Delhi, Mumbai, Kolkatta, Patna,
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INDEPENDENT AUDITOR'S REPORT

To the Members of DS Toll Road Ltd.

Report on the Financial Statements

1. We have audited the accompanying financial statements of DS Toll Road 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 Company's 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; 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. An audit also includes evaluating the appropriateness of 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 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 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, 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 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 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 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

DS Toll Road 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) Based on the audit procedures applied by us and according to the information and explanations given to us the company has granted unsecured loan to one company listed in the register maintained under section 189 of the companies Act 2013. The maximum amount involved during the year was Rs.30000 lacs and the year end balance was Rs. 29230 lacs.
 - a) The receipt of principal and interest are as stipulated in the agreement.
 - b) There is no overdue amount hence clause (iii) (b) of the order is 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;

THAKUR, VAIDYANATH AIYAR & CO.

- 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 Company has no accumulated losses as at March 31, 2015. Further, the company has not incurred cash losses during the financial year as well as in the immediately preceding financial year.
- (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.

DS Toll Road Limited
Balance Sheet as at 31st March 2015

Particulars	Note	As at March 31, 2015 ₹	As at March 31, 2014 ₹
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2.1	52,100,000	52,100,000
Reserves and surplus	2.2	<u>512,825,028</u>	<u>331,617,221</u>
		564,925,028	383,717,221
Non-current liabilities			
Long-term borrowings	2.3	3,706,328,000	3,739,552,000
Deferred tax liabilities (Net)	2.4	150,012,228	47,130,589
Other Long term liabilities	2.5	2,268,893	2,896,039,007
Long-term provisions	2.6	<u>478,064</u>	<u>204,479</u>
		3,859,087,185	6,682,926,075
Current liabilities			
Trade payables	2.7	410,833,441	411,109,033
Other current liabilities	2.8	2,938,323,330	110,202,165
Short-term provisions	2.9	<u>19,031</u>	<u>8,837</u>
		3,349,175,802	521,320,035
Total		<u>7,773,188,015</u>	<u>7,587,963,331</u>
II. ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	2.10	3,903,259	4,473,380
Intangible assets	2.11	3,595,157,247	3,745,540,703
Intangible assets under development	2.12	<u>3,276,566</u>	-
Long-term loans and advances	2.13	<u>1,373,177</u>	3,750,014,083
		3,602,337,072	1,096,925
Current Assets			
Current investments	2.14	113,907,400	106,027,002
Cash and Cash Balances	2.15	130,235,572	77,825,547
Short-term loans and advances	2.16	3,919,905,104	3,652,947,525
Other current assets	2.17	5,429,690	52,249
Total		<u>7,773,188,015</u>	<u>7,587,963,331</u>
Significant Accounting Policies and Notes on Financial Statements	1 & 2		
As per our report of even date.			
For Thakur, Vaidyanath Aiyar & Co.		For and on behalf of the Board	
Chartered Accountants			
Firm Regn. No. 000038N			
C. V. Parameswar	Mayank Jain	Madan Biyani	
Partner	Director	Director	
Membership No. 11541			
Place: Mumbai	Place: Mumbai		
Date:	Date:		

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

Particulars	Note	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
Revenue			
Revenue from operations	2.18	633,608,052	535,937,958
Other income	2.19	382,080,929	381,059,448
Total Revenue		1,015,688,981	916,997,406
Expenses			
Employee benefit expenses	2.20	1,572,896	1,299,550
Finance costs	2.21	386,321,425	394,951,362
Depreciation and amortisation expenses	2.10, 2.11	151,442,598	154,900,816
Other expenses	2.22	118,751,207	47,656,422
Total Expenses		658,088,126	598,808,150
Profit before Tax		357,600,855	318,189,256
Tax Expenses			
Current Tax		73,511,409	52,450,000
Deferred Tax		102,881,639	47,130,589
		176,393,048	99,580,589
Profit (Loss) after Tax		181,207,807	218,608,667
Earnings Per equity share (Face Value of ₹ 10 per share)			
Basic & Diluted	2.23	34.78	41.96
Significant Accounting Policies and Notes on Financial Statements	1 & 2		

As per our report of even date.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
Firm Regn. No. 000038N

For and on behalf of the Board

C. V. Parameswar
Partner
Membership No. 11541

Mayank Jain
Director

Madan Biyani
Director

Place: Mumbai
Date:

Place: Mumbai
Date:

DS Toll Road Limited
Cash Flow Statement for the year ended 31st March 2015

Particulars	Year ended	Year ended
	March 31, 2015	March 31, 2014
	₹	₹
A Cash Flow from Operating Activities		
Profit before Taxation	357,600,855	318,189,256
Adjustments for:		
Depreciation	151,442,598	154,900,816
Interest and Finance Charges	386,321,425	394,685,234
Interest Income	(374,962,054)	(373,361,564)
Dividend Income	(6,886,852)	(7,445,242)
Profit on sale of Investments	-	(252,642)
Operating Profit before Working Capital Changes	513,515,972	486,715,858
Adjustments for:		
Trade and Other receivables	140,784,838	27,099,095
Trade and Other Payables	(128,552,171)	(16,206,209)
	525,748,639	497,608,744
Income Taxes Paid (Net of refund)	(46,100,000)	(5,700,000)
Net Cash generated from Operating Activities	479,648,639	491,908,744
B Cash flow from Investing Activities		
Purchase of fixed assets and capital advances	(3,765,587)	(357,925)
Purchase of investments	(7,880,398)	(37,238,834)
Investment in fixed deposits	(124,800,000)	-
Sale / Redemption of investments	-	252,642
Dividend Received on Investments	6,886,852	7,445,242
Interest Income	7,641,944	52,249
Net Cash in investing activities	(121,917,189)	(29,846,626)
C Cash flow from/ (used in) Financing Activities		
Repayment of Long Term borrowings	(43,800,000)	(3,320,000)
Interest and Finance Charges	(386,321,425)	(394,685,234)
Net cash used in Financing Activities	(430,121,425)	(398,005,234)
Net (Decrease)/ Increase in Cash and Cash equivalents	[A+B+C] (72,389,975)	64,056,884
Cash and Cash equivalents as at the commencement of the year (Opening Balance)	77,825,547	13,768,663
Cash and Cash equivalents as at the end of the year (Closing Balance)	5,435,572	77,825,547
Net (Decrease)/ Increase in Cash and Cash equivalents	(72,389,975)	64,056,884

Previous year 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 Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
Firm Regn. No. 000038N

For and on behalf of the Board

C. V. Parameswar
Partner
Membership No. 11541

Mayank Jain
Director

Madan Biyani
Director

Place: Mumbai
Date:

Place: Mumbai
Date:

DS Toll Road Limited**Notes on Financial Statements for the year ended 31st March 2015****INTRODUCTION:**

The Company has been awarded on Build, Operate and Transfer (BOT) basis, the widening of existing two-lane covering 53.325 kms stretch from Km 373.275 (Start of proposed flyover at Dindugal Bypass) to- Km 426.60 (Samyanallore) Section of National Highway No.7 in the State of Tamilnadu and operation and maintenance thereof, under the Concession Agreement dated January 30, 2006 with National Highways Authority of India. The Concession Agreement is for 20 years from the appointed Date stated in clause 1.1 of the said agreement.

1 SIGNIFICANT ACCOUNTING POLICIES:**1.1 Basis of Preparation**

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 Fixed Assets and Intangible assets under development

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.

Toll Collection Rights have been accounted as intangible asset. The cost incurred on the project activity towards reconstruction, strengthening widening of the toll road on build operate and transfer basis (BOT), Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of the intangible assets.

Intangible Assets are recognized when it is probable that the future economic benefits that are attributed to the assets will flow to the Company and the cost of the assets can be measured reliably.

All Project related expenditure for acquiring 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 Assets under development. These expenses are net of recoveries and income (net of tax) from surplus funds arising out of project specific borrowings.

1.4 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 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.

1.5 Depreciation

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.

Specialized software is amortized over a period of three years.

1.6 Revenue Recognition

Toll Collection from users of facility (except for dues from Government department /corporations) are accounted for as and when the amount is due and recovery is certain.

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.

Consideration received towards rights given for residual interest (by way of Fixed and Variable charges) in the monthly cash flow of toll collection of the company are accounted on the basis of pattern in which economic benefits are expected to occur.

1.7 Investments

Investments which are readily realisable 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.

Long Term Investments are stated at cost. In the case of long term investments, provisions / write-down is made for permanent diminution in value.

1.8 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.

1.10 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.

1.11 Government Grants

Grants from National Highway Authority of India (Government authority and a promoter) towards capital expenditure are treated as Capital Reserve in compliance with Accounting Standard 12, "Accounting for Government Grants" as prescribed by Companies (Accounting Standard) Rules, 2006.

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

1.12 Borrowing Cost

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

The Company has entered into an Operations & Maintenance Contract in the previous year, where by it has also transferred the Toll Collection Rights to Reliance Infrastructure Limited for a consideration of Rs. 355 crores. NHA has been intimated about the Operation & Maintenance arrangement and its approval is awaited. The company will pay Fixed and Variable Service Fees for period of 12 years. This consideration amount will be duly accounted by the Company over a period of contract.

1.13 Provisions

Provisions are recognized 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 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 recognized 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.

DS Toll Road Limited

Notes on Financial Statements for the year ended 31st March 2015

Note 2.1 Share Capital

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Authorized		
Equity Shares of ₹ 10 par value		
10,00,00,000 (10,00,00,000) equity shares	1,000,000,000	1,000,000,000
	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued		
Equity Shares of ₹ 10 par value		
52,10,000 (52,10,000) equity shares	52,100,000	52,100,000
	<u>52,100,000</u>	<u>52,100,000</u>
Subscribed and fully Paidup		
Equity Shares of ₹ 10 each fully paid up		
52,10,000 (52,10,000) equity shares (All Shares are held by Reliance Infrastructure Limited, the Holding Company and it's nominees)	52,100,000	52,100,000
	<u>52,100,000</u>	<u>52,100,000</u>
Reconciliation of shares		
No. of shares at the beginning of the year	5,210,000	5,210,000
Add : No. of Shares Issued during the year	-	-
No. of Shares at the end of the year	<u>5,210,000</u>	<u>5,210,000</u>

Rights, Preferences and Restrictions -

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

Shareholders holding more than 5% of shares :

Name of the shareholders	No. of Shares	%	No. of Shares	%
Reliance Infrastructure Limited	5,210,000	100%	5,210,000	100%

Note 2.2 Reserves and Surplus

Capital Reserves

Grant Received from NHAI

Opening Balance	310,000,000	310,000,000
Addition during the year	-	-
Closing Balance	<u>310,000,000</u>	<u>310,000,000</u>

Surplus

Surplus as per Statement of Profit & Loss

Opening Balance	21,617,221	(196,991,446)
Net Profit/(loss) for the year	181,207,807	218,608,667
Closing Balance	<u>202,825,028</u>	<u>21,617,221</u>
	<u>512,825,028</u>	<u>331,617,221</u>

DS Toll Road Limited**Notes on Financial Statements for the year ended 31st March 2015**

	As at March 31,2015 ₹	As at March 31, 2014 ₹
Note 2.3 Long Term Borrowings		
Secured		
Term loans from Financial Institution*	3,238,328,000	3,271,552,000
* Secured By :-		
a) First charge by way of hypothecation of all the Borrower's movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets except Project Assets, present and future.		
b) a first charge on the Borrower's cashflows & receivables including revenues of whatever nature, present or future wherever arising, provided further that the first charge as set out herein shall arise only after the proceeds or realization thereof, if any, have been received into the Escrow Account designated for the Project and thereafter shall only be to the extent of waterfall mechanism (i.e. priorities for the withdrawal of payment) as provided in the Escrow Agreement.		
c) a first charge on all intangibles including but not limited to goodwill and uncalled capital, present and future, excluding the Project Assets and a charge on the uncalled capital subject however, to the provisions of the Concession Agreement.		
d) Pledge of shares held by the Sponsor in demat form in equity share capital of the company.		
e) Repayment Terms :- The repayment of loan will be started from 30 Jun 2012 and payable in 48 quarterly installments.		
Unsecured		
Loans & Advances from related party		
Sub Ordinate Debts from Reliance Infrastructure Limited, holding company**	468,000,000	468,000,000
** Repayment based on available cash flow after repayment of the entire secured loans to lenders.		
Total	3,706,328,000	3,739,552,000
Note 2.4 Deferred Tax Liabilities (Net)		
Provision for Deferred Taxation	150,012,228	47,130,589
	150,012,228	47,130,589
Note 2.5 Other Long Term Liabilities		
Retention Payable	2,268,893	2,264,538
Deferred Income	-	2,893,774,469
Total	2,268,893	2,896,039,007
Note 2.6 Long Term Provisions		
Provision for employee benefit		
Leave Encashment	478,064	204,479
Total	478,064	204,479

DS Toll Road Limited**Notes on Financial Statements for the year ended 31st March 2015**

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Note 2.7 Trade Payables		
Trade Payables	410,833,441	411,109,033
(Amount due to MSME Nil - Refer note no. 2.27)		
Total	410,833,441	411,109,033
Note 2.8 Other current Liabilities		
Current maturities of long-term debts	33,200,000	43,800,000
Deferred Income	-	64,335,439
Other Current Liabilities	2,905,123,330	2,066,726
Total	2,938,323,330	110,202,165
Note 2.9 Short Term Provisions		
Provision for leave encashment	19,031	8,837
Total	19,031	8,837

Note 2.10 Tangible Assets

Particulars	Gross Block			Depreciation/Amortisation			Net Block	
	As at April 1, 2014	Additions / Disposal	As at March 31, 2015	As at April 1, 2014	Additions during the Period ^	As at March 31, 2015	As at March 31, 2015	As at March 31,2014
Buildings*	1,008,900	-	1,008,900	123,301	37,187	160,488	848,412	885,599
Plant & Machinery	3,297,863	24,568	3,322,431	502,159	460,907	963,066	2,359,365	2,795,704
Furniture and Fixtures	1,126,592	296,397	1,422,989	511,271	237,408	748,679	674,310	615,321
Vehicles	44,500	-	44,500	30,928	7,400	38,328	6,172	13,572
Computer	1,083,058	168,057	1,251,115	919,874	316,240	1,236,115	15,000	163,184
Total A	6,560,913	489,022	7,049,935	2,087,533	1,059,142	3,146,676	3,903,259	4,473,380
Previous Year	6,202,988	357,925	6,560,913	1,716,285	371,248	2,087,533	4,473,380	4,486,703

99,448

Note 2.11 Intangible Assets**

The components of intangible assets are as under:

Particulars	Gross Block			Depreciation / Amortisation			Net Block	
	As at April 1, 2014	Additions / Disposal	As at March 31, 2015	As at April 1, 2014	Additions during the quarter***	As at March 31, 2015	As at March 31, 2015	As at March 31,2014
Toll Collection Rights***	4,274,312,010	-	4,274,312,010	528,771,307	150,383,456	679,154,763	3,595,157,247	3,745,540,703
Computer Software	310,173	-	310,173	310,173	-	310,173	-	-
Total B	4,274,622,183	-	4,274,622,183	529,081,480	150,383,456	679,464,936	3,595,157,247	3,745,540,703
Previous Year	4,274,622,183	-	4,274,622,183	374,551,912	154,529,568	529,081,480	3,745,540,703	3,900,070,271

Note 2.12 Intangible Assets under Development**

ETC for DSTR 3,276,566

*Note : The Company being the member & Owner of the said flat in the society were allotted 5 fully paid shares of the face value Rs.50 /- each

** Intangible Assets are other than internally generated.

^The useful life of fixed assets has been revised in accordance with the Schedule II of The Companies Act, 2013, which is applicable for accounting periods commencing on or after 1 April 2014. Consequently, a sum of Rs. 2.84 lacs being the carrying amount net of residual value of fixed assets where remaining useful life as at 1 April 2014 is Nil has been charged to Statement of Profit & Loss; in other cases, carrying amount has been depreciated / amortised over the remaining useful life of the assets and the effect on profit is not material.

DS Toll Road Limited**Notes on Financial Statements for the year ended 31st March 2015**

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Note 2.13 Long Term Loans and Advances		
Unsecured Considered Good		
Security Deposits	591,156	591,156
Prepaid Expenses	782,021	505,769
Total	1,373,177	1,096,925
Note 2.14 Current Investments		
Lower of cost or market value		
Trade Investments		
Investments in Mutual Funds - Quoted		
Reliance Liquidity Fund - Daily Dividend Plan*	113,907,400	106,027,002
Total	113,907,400	106,027,002
* Details: -		
- Units - 1,02,254.01 (Previous Year 97,694.73)		
- Face value Rs 1114.15/unit (Prev. year Rs 1114.15/unit)		
- Market value Rs.11,39,26,307 (Prev. yr. Rs.1,08,827,669.8)		
- Lien marked with IDFC on a/c. of DSRA..		
Note 2.15 Cash and Cash Balances		
(A) Cash and Cash Equivalents -		
Balances with banks in -		
Current Account	3,449,288	2,463,659
Fixed Deposit Account	-	71,000,000
Cash on Hand	1,986,284	4,361,888
Sub-total (A)	5,435,572	77,825,547
(B) Other Bank Balances -		
Deposit with original maturity of more than 3 months but less than 12 months**	73,800,000	-
Deposit with original maturity of more than 12 months	51,000,000	-
Sub-total (B)	124,800,000	-
Total	130,235,572	77,825,547
** incl. Rs. 9.78 cr. towards MMR requirement of lender.		
Note 2.16 Short Term Loans and Advances		
Advance to Vendors	3,481,757	3,236,956
Advance Income Tax (Net of Provision)	17,755,164	7,641,915
Advance recoverable in cash or in kind or for value to be received	975,325,354	641,299,766
Prepaid Expenses	342,829	737,178
Inter Corporate Deposits	2,923,000,000	3,000,000,000
Advance to Employees	-	31,710
Total	3,919,905,104	3,652,947,525
Note 2.17 Other Current Assets		
Interest Accrued on Fixed deposit	5,429,690	52,249
Total	5,429,690	52,249

DS Toll Road Limited**Notes on Financial Statements for the year ended 31st March 2015**

	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
Note 2.18 - Revenue from Operations		
Sale of services - Toll Collection	568,941,863	521,743,735
Leasing of Advertisement Space	330,750	456,493
Income from Operation	-	237,730
Income from Toll Operation	64,335,439	13,500,000
Total	633,608,052	535,937,958
Note 2.19 - Other Income		
Dividend Income	6,886,852	7,445,242
Interest Received		
On Inter Corporate Deposits	367,320,110	373,309,315
On Others	7,641,944	52,249
Net gain/loss on sale of investments	-	252,642
Other Income	232,023	-
Total	382,080,929	381,059,448
Note 2.20 - Employee Benefit Expense		
Salaries and Wages	1,502,938	1,374,712
Contribution to Provident Fund and Other Fund	69,958	52,367
Contribution to Gratuity Fund	-	(127,529)
Total	1,572,896	1,299,550
Note 2.21 - Finance Costs		
Interest expense	386,102,305	394,685,234
Other finance charges	219,120	266,128
Total	386,321,425	394,951,362
Note 2.22 - Other Expenses		
Toll Operation & Maintenance Expenses	40,937,814	26,408,940
Electricity Expenses	2,764,287	2,652,579
Insurance	2,557,280	3,033,978
Travelling & Conveyance	689,311	-
Auditors' Remuneration		
- Audit Fees	350,000	350,000
- Certification Fees	75,000	85,000
Rent, Rates & Taxes	175,418	160,370
Legal and Professional Charges	13,126,098	13,624,725
Other Miscellaneous Expenses	1,850,468	1,340,830
Loss on Re-Acquisition of Contract	56,225,531	-
Total	118,751,207	47,656,422

DS Toll Road Limited
Notes on Financial Statements for the year ended 31st March 2015

2.23 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.

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 Statement of Profit & Loss /Intangible Assets Under Development 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	0.32	0.33	0.26	0.26
Interest cost on benefit obligation	0.21	0.17	0.18	0.15
Expected return on plan assets	-	-	(0.82)	(0.76)
Net actuarial gain/(loss) recognised during the year	2.30	(0.14)	0.29	1.66
Current service cost	2.84	0.36	(0.09)	1.31

(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 in Statement of Profit & Loss /Intangible Assets Under Development	0.54	0.41

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

	Leave Encashment		Gratuity	
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Present value of obligation	4.97	2.13	4.41	1.82
Less: Fair value of plan assets	-	-	10.81	10.01
Net Asset(Liabilities) recognised in Balance Sheet	(4.97)	(2.13)	6.40	8.18

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, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Opening defined benefit obligation	2.13	1.85	1.82	1.60
Interest cost	0.21	0.17	0.18	0.15
Current service cost	0.32	0.33	0.26	0.26
Benefits paid	-	(0.08)	-	-
Liabilities assumed on Acquisition/Settled on Divestiture)	-	-	-	-
Actuarial (gains)/loss on obligation	2.30	(0.14)	2.15	(0.19)
Closing defined benefit obligation	4.97	2.13	4.41	1.82
d) Changes in the fair value of plan assets are as follows:				
	Leave Encashment		Gratuity	
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Opening fair value of plan assets	-	-	10.01	9.18
Expected return	-	-	0.82	0.76
Contributions made by employer during the year	-	0.08	-	-
Benefits paid	-	(0.08)	-	-
Actuarial Gain/(Loss) on plan assets	-	-	(0.02)	0.07
Assets Acquired on Acquisition/ (Distributed on divestiture)	-	-	-	-
Closing fair value of plan assets	-	-	10.81	10.01
e) Expected contribution to defined benefit plan for next year				
	Leave Encashment		Gratuity	
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
	0.19	0.09	Nil	Nil
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	Nil	Nil	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%	8.90%	7.85%	8.90%
Expected rate of return on plan assets	-	-	8.25%	8.25%
Mortality Rate	Published rates under the Indian Assured Lives Mortality (2006-08)	LIC (1994 - 96) published table of Mortality Rates	Published rates under the Indian Assured Lives Mortality (2006-08)	LIC (1994 - 96) published table of Mortality Rates
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.				

DS Toll Road Limited
Notes on Financial Statements for the year ended 31st March 2015

2.24 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)	181,207,807	218,608,667
Weighted average number of Equity Shares Outstanding (B)	5,210,000	5,210,000
Basic/ Diluted Earning Per Share (in Rupees) (A)/(B)	34.78	41.96
Nominal value of equity share (in Rupees)	10.00	10.00

2.25 Related party transaction

Related party disclosure as required by accounting standard (as) - 18 "Related Party Disclosures" issued by the Institute of **Relationship:**

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:	₹	
	APRIL 2014 - MARCH 2015	APRIL 2013 - MARCH 2014
HOLDING COMPANY		
Expenses debited into Statement of Profit & Loss		
Toll Operation & Maintenance Expenses	11,812,343	9,389,977
Reimbursement of Other Expenses	33,563	26,177
OUTSTANDING AT THE YEAR END		
CREDIT		
Issue of Equity Share Capital	52,100,000	52,100,000
Trade Payables	378,541,344	384,215,582
Other Payables	2,900,000,000	-
Sub-Ordinate Debts	468,000,000	468,000,000

DS Toll Road Limited
Notes on Financial Statements for the year ended 31st March 2015

2.26 Segment Reporting

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

2.27 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.

2.28 During the year certain terms of the O&M arrangement have been further modified whereby the O&M contractor will no longer be entitled to the residual amount of the toll collection w.e.f. March 31, 2015 and the company has agreed to pay Rs. 295 Crore to the O&M contractor as against the unamortised income of Rs. 289.38 Crore, the differential amount of Rs. 5.62 Crore has been expensed off.

2.29 The company has filed arbitration claims against National Highways Authority of India (NHAI) amounting to Rs 82.53 cr. against various claims on account of loss in toll revenue due to delay in COD, cost escalations, delays in payment of Grant etc. Similarly EPC Contractors have raised claims against the company amounting to Rs 48.25 Cr.

2.30 Previous year figures have been regrouped and re-arranged to comply with the requirement of Revised Schedule VI.

As per our attached report of even date

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants
Firm Regn. No. 000038N

For and on behalf of the Board

C. V. Parameswar

Partner
Membership No. 11541

Mayank Jain
Director

Madan Biyani
Director

Place: Mumbai

Date:

Place: Mumbai

Date: