

# **PS TOLL ROAD PRIVATE LIMITED**

## **Financial Statements For The Year Ended March 2015**

# **M K P S & ASSOCIATES**

CHARTERED ACCOUNTANTS

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Rassaz Castle, Gundavli,  
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## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of PS Toll Road (P) Ltd.**

### **Report on the Financial Statements**

1. We have audited the accompanying financial statements of PS 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 31<sup>st</sup> 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 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;

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- 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  
**PS Toll Road (P) Limited**  
for the year ended on 31<sup>st</sup> 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 generally 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) There are no accumulated losses of the company as at the Balance sheet date. 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.

**PS 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
<b>I. EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	2.1	107,240		107,240	
Reserves and Surplus	2.2	1,085,173,073	<b>1,085,280,313</b>	702,377,656	<b>702,484,896</b>
<b>Non-current Liabilities</b>					
Long Term Borrowings	2.3	11,437,906,899		3,427,381,370	
Other Long Term Liabilities	2.4	453,883,985		450,907,287	
Long-term provisions	2.5	4,512,589	<b>11,896,303,473</b>	2,781,634	<b>3,881,070,291</b>
<b>Current Liabilities</b>					
Trade Payables	2.6	194,819,165		1,212,006,391	
Other current Liabilities	2.7	537,413,288		9,191,129,355	
Short-term provisions	2.8	185,779	<b>732,418,232</b>	128,189	<b>10,403,263,936</b>
	<b>Total</b>		<b>13,714,002,017</b>		<b>14,986,819,123</b>
<b>II. ASSETS</b>					
<b>Non Current Assets</b>					
<b>Fixed Assets</b>					
(i) Tangible Assets	2.9	31,791,353		35,463,188	
(ii) Intangible Assets	2.10	17,625		34,146	
(iii) Intangible Assets under development	2.11	11,786,067,286	<b>11,817,876,264</b>	9,459,880,815	<b>9,495,378,148</b>
Long-term loans and advances	2.12		<b>1,504,419,738</b>		<b>4,309,508,504</b>
<b>Current Assets</b>					
Cash and cash equivalents	2.13	61,866,981		897,028,407	
Short-term loans and advances	2.14	329,839,034	<b>391,706,015</b>	284,904,064	<b>1,181,932,470</b>
	<b>Total</b>		<b>13,714,002,017</b>		<b>14,986,819,123</b>
Significant Accounting Policies and Notes on Financial :	<b>1 &amp; 2</b>				

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

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

Place: Mumbai  
Date:

**For and on behalf of the Board**

**Mayank Jain**  
Director

**Madan Biyani**  
Director

Place: Mumbai  
Date:

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

Particulars	Year ended March 31st 2015 Rupees	Year ended March 31, 2014 Rupees
<b>Cash Flow from/ (used in) Operating Activities</b>		
Net Profit/ (Loss) before Tax	382,795,416	227,767,566
Adjustments for:		
Depreciation	11,847,073	7,774,719
Interest Income	(13,101,264)	(1,391,567)
<b>Operating Profit before Working Capital Changes</b>		
Adjustments for:		
Trade and Other receivables	(44,934,971)	(89,856,459)
Trade Payables	(9,669,114,749)	1,592,296,463
Cash Flow from/ (used in) Operating Activities	<b>[A] (9,332,508,495)</b>	<b>1,736,590,722</b>
<b>Cash flow from/ (used in) Investing Activities</b>		
Purchase/Acquisition of Fixed Assets	876,131,423	(852,288,728)
Proceeds from Fixed Deposits	-	30,000,000
Interest Income	13,101,264	1,391,567
Cash flow from/ (used in) Investing Activities	<b>[B] 889,232,687</b>	<b>(820,897,161)</b>
<b>Cash flow from/ (used in) Financing Activities</b>		
Proceeds from Long term Borrowings	8,010,525,529	301,301,320
Interest & Finance Charges	(402,411,148)	(394,044,543)
Net cash generated from/ (used in) Financing Activities	<b>[C] 7,608,114,381</b>	<b>(92,743,223)</b>
<b>Net (Decrease)/ Increase in Cash and Cash equivalents</b>	<b>[A+B+C] (835,161,426)</b>	<b>822,950,338</b>
Cash and Cash equivalents as at the commencement of the year (Opening Balance)	897,028,407	74,078,069
Cash and Cash equivalents as at the end of the year (Closing Balance)	61,866,981	897,028,407
Net (Decrease)/ Increase in Cash and Cash equivalents	<b>(835,161,426)</b>	<b>822,950,338</b>

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

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

Place: Mumbai

Date:

Date:



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

Particulars	Note No.	Year ended March 31st, 2015 Rupees	Year ended March 31, 2014 Rupees
<b>Revenue from Operations</b>	<b>2.15</b>	1,923,973,512	1,728,276,390
<b>Other Income</b>	<b>2.16</b>	13,101,264	1,620,747
<b>Total Revenue</b>		<b>1,937,074,776</b>	1,729,897,137
<b>EXPENSES</b>			
Employee benefits expense	<b>2.17</b>	48,489,071	40,289,873
Depreciation & Amortisation Expense	<b>2.9, 2.10</b>	11,847,073	7,774,719
Other Expenses	<b>2.18</b>	1,392,243,216	1,393,564,979
<b>Total Expenses</b>		<b>1,452,579,360</b>	1,441,629,571
<b>Profit before Tax (VII - VIII)</b>		<b>484,495,416</b>	288,267,566
<b>Tax Expenses</b>			
Current Tax		<b>101,700,000</b>	60,500,000
		<b>101,700,000</b>	60,500,000
<b>Profit (Loss) for the period (XI + XIV)</b>		<b>382,795,416</b>	227,767,566
<b>Earnings Per equity share : (Face Value Rs. 10/-)</b>			
Basic / Diluted	<b>2.21</b>	35,695	21,239
Significant Accounting Policies and Notes on Financial Stateme	<b>1 &amp; 2</b>		

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

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

Place: Mumbai  
Date:

**For and on behalf of the Board**

**Mayank Jain**  
Director

**Madan Biyani**  
Director

Place: Mumbai  
Date:

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

#### **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.



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

	31-Mar-15 Rs.	31-Mar-14 Rs.
<b>Note 2.1 Share Capital</b>		
<b>Schedule 1 - Share Capital</b>		
<b>Authorized</b>		
<b>Equity Shares Rs. 10 par value</b>		
100000 (100000) Equity Shares	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>
<b>Issued, Subscribed and Paidup</b>		
<b>Equity Shares Rs. 10 par value</b>		
10724 (10724) equity shares	107,240	107,240
	<u>107,240</u>	<u>107,240</u>
<b>Reconciliation of shares</b>		
No. of shares at the beginning of the year	10,724	10,724
Add : No. of Shares Issued during the year	-	-
No. of Shares at the end of the year	<u>10,724</u>	<u>10,724</u>

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**

- Its Holding Company (M/s Reliance Infrastructure Limited)

Shareholders holding more than 5% of shares :

Name	No.of Shares	Amount	No.of Shares	Amount
Reliance Infrastructure Limited	7936	79,360	7936	79,360
Jiangsu Provincial Transportation Engineering Group Co. Ltd.	2788	27,880	2788	27,880

**Note 2.2 Reserves and Surplus**

Surplus as per Statement of Profit & Loss

Opening Balance	702,377,657	474,610,090
Transferred from Statement of Profit and Loss	382,795,416	227,767,566
Closing Balance	<u>1,085,173,073</u>	<u>702,377,656</u>
<b>TOTAL</b>	<u>1,085,173,073</u>	<u>702,377,656</u>

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

	<b>31-Mar-15</b>	<b>31-Mar-14</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Note 2.3 Long term Borrowings (Secured)</b>		
From banks	3,390,000,000	3,000,000,000
From Financial Institutions	440,000,000	-
Note:		
Secured by:		
<b>For ICICI Bank</b>		
a) First pari-passu charge/security interest over all present & future non-current regulatory assets of the parents.		
b) Lien over the O&M Account.		
c) First Exclusive English mortgage over parent's right under the O&M contract.		
d) The security mentioned above shall be created and perfected within 2 months from the first drawdown date. Security mentioned in point 1 above shall be shared with Rs. 3.00 billion working capital facility provided by lenders to Parent.		
e) On request of the Parent, lenders shall promptly provide no objection certificate to create first pari passu charge on Regulatory Assets in favor of other lenders subject to maintenance of Security cover under this facility & no such request shall be unreasonably held by the lenders.		
f) Security mentioned under point 1 above shall provide a security cover of 1.40x ("Security Cover"), to be maintained during the entire tenor of the facility. Security Cover shall be calculated based on the value of Regulatory Assets recognized by MERC. In case lenders feels that the security mentioned under point 1 above is insufficient to provide the security cover, lenders may ask the Borrower to provide additional security as acceptable to the lender.		
g) Facility shall be repaid in one bullet payment at the Final Maturity Date.		
h) Final maturity date - 6 months post final maturity date under the Existing Debt or 15 years from the 1st drawdown date, which ever is earlier.		
<b>For Other Bank &amp; Financial Institutions</b>		
Secured by:		
a) First mortgage and charge of all immovable properties, present and future & except the project Assets & of all tangible movable assets, both present and future, save and except the project Assets.		
b) First Charge over Escrow Accounts & Sub Accounts in accordance with Escrow & Supplementary agreement.		
c) Pledge by the promoters of 51% of the fully paid up capital of the borrower.		
f) <b>Repayment Terms</b> :- The repayment of loan will start from FY 2018 in 42 quarterly installments and will be paid till FY 2028. The interest will be paid monthly as per the applicable Interest rates.		
<b>Unsecured</b>		
Sub Ordinate Debts from Reliance Infrastructure Limited	7,607,906,899	427,381,370
<b>Total</b>	<b>11,437,906,899</b>	<b>3,427,381,370</b>
<b>Note 2.4 Other Long term Liabilities</b>		
Retention Payable	453,883,985	450,907,287
<b>Total</b>	<b>453,883,985</b>	<b>450,907,287</b>
<b>Note 2.5 Long term Provisions</b>		
Leave Encashment	4,512,368	2,781,634
Gratuity	221	-
<b>Total</b>	<b>4,512,589</b>	<b>2,781,634</b>
<b>Note 2.6 Trade payables</b>		
Trade Payable	194,819,165	1,212,006,391
<b>Total</b>	<b>194,819,165</b>	<b>1,212,006,391</b>
<b>Note 2.7 Other Current liabilities</b>		
Creditors for Capital Expenditure	529,292,925	672,888,189
Other Current Liabilities	8,120,363	8,518,241,166
<b>Total</b>	<b>537,413,288</b>	<b>9,191,129,355</b>
<b>Note 2.8 Short term Provisions</b>		
Leave Encashment	185,779	128,189
<b>Total</b>	<b>185,779</b>	<b>128,189</b>

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

**Note 2.9 Tangible Assets**

**Rupees**

Particulars	Gross Block			Depreciation			Net Block		
	As at April 1, 2014	Additions during the period	Disposal	As at March 31st, 2015	As at April 1, 2014	Additions during the period	As at March 31st, 2015	As at March 31st, 2015	As at April 1, 2014
Office Equipments	50,962,367	6,928,552	-	57,890,919	19,318,349	10,535,607	<b>29,853,956</b>	<b>28,036,963</b>	31,644,019
Furniture and Fixtures	3,498,805	56,700	-	3,555,505	1,309,244	343,992	<b>1,653,236</b>	<b>1,902,270</b>	2,189,561
Buildings	2,442,974	-	-	2,442,974	867,467	32,572	<b>900,039</b>	<b>1,542,936</b>	1,575,508
Plant & Machinery	522,984	1,173,465	-	1,696,449	468,883	918,381	<b>1,387,264</b>	<b>309,185</b>	54,101
<b>Total Tangible Assets</b>	57,427,131	8,158,717	-	<b>65,585,848</b>	21,963,942	11,830,552	<b>33,794,495</b>	<b>31,791,353</b>	<b>35,463,188</b>
Previous Year	50,224,307	7,202,824	-	<b>57,427,131</b>	14,264,023	7,699,919	<b>21,963,942</b>	35,463,188	<b>35,960,284</b>

**Note 2.10 Intangible Assets**

Particulars	Gross Block			Depreciation			Net Block		
	As at April 1, 2014	Additions during the period	Disposal	As at March 31st, 2015	As at April 1, 2014	Additions during the period	As at March 31st, 2015	As at March 31st, 2015	As at April 1, 2014
Computer Software	243,001	-	-	243,001	208,855	16,521	<b>225,376</b>	<b>17,625</b>	34,146
<b>Total Intangible Assets</b>	<b>243,001</b>	-	-	<b>243,001</b>	<b>208,855</b>	<b>16,521</b>	<b>225,376</b>	<b>17,625</b>	<b>34,146</b>
Previous Year	243,001	-	-	<b>243,001</b>	<b>134,056</b>	<b>74,800</b>	<b>208,855</b>	<b>34,146</b>	<b>108,945</b>

**PS Toll Road Private Limited****Notes to Financial Statements for the year ended March 31st, 2015****Note 2.11 Intangible Assets Under Development**

	<b>31-Mar-15</b>	<b>During the Year</b>	<b>31-Mar-14</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>A) Assets under Construction Pending Allocation</b>			
Project Contract Expenses	<b>10,602,245,072</b>	1,787,326,167	8,814,918,905
	<b>10,602,245,072</b>	<b>1,787,326,167</b>	<b>8,814,918,905</b>
<b>B) Incidental Expenses related to development of intangible asstes</b>			
Entertainment / Hospitality Expenses	42,956	-	42,956
Miscellaneous Expenses	219,438	-	219,438
Travelling - Inland - Other Expenses	18,964	-	18,964
Guarantee Commission	38,665,200	8,400,000	30,265,200
Insurance Charges	41,810,463	26,310,962	15,499,501
Interest on Loan	808,365,833	402,411,148	405,954,685
Professional Fees (IC charges)	88,405,959	32,191,668	56,214,291
Project Execution Support Services	41,683,384	3,136,000	38,547,384
Upfront Fees	164,610,017	66,410,526	98,199,491
	<b>1,183,822,214</b>	<b>538,860,304</b>	<b>644,961,910</b>
<b>Total (A + B)</b>	<b>11,786,067,286</b>	<b>2,326,186,471</b>	<b>9,459,880,815</b>



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

	<b>31-Mar-15 Rs.</b>	<b>31-Mar-14 Rs.</b>
<b>Note 2.12 Long term Loans &amp; Advances</b> (Unsecured, considered good)		
Capital Advance	1,504,419,738	4,309,508,504
<b>Total</b>	<b><u>1,504,419,738</u></b>	<b><u>4,309,508,504</u></b>
<b>Note 2.13 Cash and Cash Equivalents</b>		
Balances with banks in -		
- Current Account	52,345,992	875,448,844
- In Fixed deposit (maturity of less than three months)	-	-
-Cash on hand	9,520,989	21,579,563
<b>Total</b>	<b><u>61,866,981</u></b>	<b><u>897,028,407</u></b>
<b>Note 2.14 Short Term Loans and Advances</b>		
Unsecured, Considered Good		
Advances recoverable in cash or kind or for value to be received	308,695,963	263,271,874
Advance Tax, TDS & TCS (net of Provision)	19,751,621	20,257,190
Deposits	1,391,450	1,375,000
<b>Total</b>	<b><u>329,839,034</u></b>	<b><u>284,904,064</u></b>

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

	<b>31-Mar-15</b>	<b>31-Mar-2014</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Note 2.15 Revenue from Operations</b>		
Sale of services - Toll Collection	1,923,637,512	1,728,276,390
Leasing of Advertisement Space	336,000	-
<b>TOTAL</b>	<b><u>1,923,973,512</u></b>	<b><u>1,728,276,390</u></b>
<b>Note 2.16 Other Income</b>		
Interest Income	13,101,264	1,391,567
Net gain/loss on sale of Scrap	-	229,180
<b>TOTAL</b>	<b><u>13,101,264</u></b>	<b><u>1,620,747</u></b>
<b>Note 2.17 Employee benefit expenses</b>		
Salaries and incentives	37,158,453	31,835,078
Contribution to provident Fund	1,404,277	1,306,932
Contribution to Gratuity	1,644,946	347,284
Contribution to Pension Scheme	280,462	163,113
Contribution to Superannuation	112,613	112,000
Staff welfare expenses	7,888,319	6,525,466
<b>TOTAL</b>	<b><u>48,489,071</u></b>	<b><u>40,289,873</u></b>
<b>Note 2.18 Other Expenses</b>		
Rent	1,280,088	1,346,570
Electricity	21,909,391	18,391,970
Travelling & Conveyance	9,842,500	10,991,325
Legal & Professional Charges	46,024,214	46,179,976
Toll Operation & Maintenance Expenses	144,020,736	120,489,023
Communication Expenses	1,425,287	1,007,756
Printing & Stationery	2,304,148	2,293,010
Insurance Charges	8,082,143	9,132,544
- Audit Fees	550,000	550,000
- For Certification Charges	138,000	213,500
Miscellaneous Expenses	7,680,910	7,821,284
Upfront premium	1,104,895,188	1,052,281,128
Interest on Upfront premium	44,090,612	-
Loss on Re-Acquisition of Contract	-	122,866,894
<b>TOTAL</b>	<b><u>1,392,243,216</u></b>	<b><u>1,393,564,979</u></b>

<b>PS Toll Road Private Limited</b>		
<b>Notes to Financial Statements for the year ended March 31st, 2015</b>		
<b>2.19 Earning per Share</b>		
<b>Particulars</b>	<b>Year Ended March 31st, 2015</b>	<b>Year Ended March 31st, 2014</b>
Basic / Diluted Earning Per Share:		
Profit after taxation as per Profit and Loss Account (A)	382,795,416	227,767,566
Weighted average number of Equity Shares Outstanding (B)	10,724	10,724
Basic/ Diluted Earning Per Share (in Rupees) (A)/(B)	35,695	21,239
Nominal value of equity share (in Rupees)	10.00	10.00
<b>2.20 Related party transaction</b>		
Related party disclosure as required by accounting standard (as) - 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India.		
<b>Relationship:</b>		
Name of the holding company - Reliance Infrastructure Limited		
The following transactions were carried out with the related parties in the ordinary course of business:		
<b>IN RS.</b>		
	<b>HOLDING COMPANY</b>	
<b>NATURE OF TRANSACTIONS:</b>	<b>April to Mar 2015</b>	<b>April to Mar 2014</b>
<b>Expenses debited into Statement of Profit &amp; Loss</b>		
Reimbursement of Bank Guarantee Commission	-	-
Toll Operation & Maintenance Expenses	58,483,687	53,729,070
Reimbursement of Other Expenses	2,160,181	1,079,127
<b>Expenses debited into Intangible Assets Under Development</b>		
Project Execution Support Services	3,523,610	21,123,949
<b>Borrowings</b>		
Sub-Ordinate Debts	7,180,525,529	290,301,370
<b>LOAN REPAYED</b>		
Sub-Ordinate Debts	-	-
<b>OUTSTANDING AT THE YEAR END</b>		
<b>CREDIT</b>		
Issue of Equity Share Capital	107,240	107,240
Trade Payables	-	525,624,540
Other Payables	-	8,500,000,000
Sub-Ordinate Debts	7,607,906,899	427,381,370

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

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

**2.21 Employee Benefits:**

Disclosure as required by Accounting Standard (AS) - 15 (Revised 2005) "Employee Benefits" 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 schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes and 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 completed year of service or part thereof in excess of 6 months subject to maximum of Rs. 10 Lacs

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

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

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

(i) Defined Benefit Plan	Leave Encashment		Gratuity
	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2015
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Current service cost	9.97	11.20	7.22
Interest cost on benefit obligation	3.42	3.01	2.99
Expected return on plan assets	-	-	(2.47)
Net actuarial gain/(loss) recognised during the year	6.25	(9.36)	13.38
Current service cost included under the head payments to Contribution and Other Funds in Note. Employee benefit expenses	19.64	4.85	21.12
(ii) Defined Contribution Plan			Provide
			Year Ended March 31, 2015
			(Rs. in lacs)
Current service cost included under the head payments to Contribution and Other Funds in Note. Employee benefit expenses			1.31

- 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
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Present value of funded obligation	-	-	50.23
Present value of Unfunded obligation	46.98	29.10	
Less: Fair value of plan assets	-	-	50.23
Net Asset / (Liabilities) recognised in Balance Sheet	(46.98)	(29.10)	-

c) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balance follows:			
	Leave Encashment		Grat
	<b>As at 31st March, 2015</b>	As at 31st March, 2014	<b>As at 31st March, 2015</b>
	<b>(Rs. in lacs)</b>	<b>(Rs. in lacs)</b>	<b>(Rs. in lacs)</b>
Opening defined benefit obligation	29.10	26.96	26.74
Interest cost	3.42	3.01	2.99
Current service cost	9.97	11.20	7.22
Benefits paid	(1.76)	(2.71)	-
Liabilities assumed on Acquisition/9Settled on Divestiture)	-	-	-
Actuarial (gains)/loss on obligation	6.25	(9.36)	13.28
Closing defined benefit obligation	46.98	29.10	50.23
d) Changes in the fair value of plan assets are as follows:			
	Leave Encashment		Grat
	<b>As at 31st March, 2015</b>	As at 31st March, 2014	<b>As at 31st March, 2015</b>
	<b>(Rs. in lacs)</b>	<b>(Rs. in lacs)</b>	<b>(Rs. in lacs)</b>
Opening fair value of plan assets	-	-	26.75
Expected return	-	-	2.47
Contributions made by employer during the year	1.76	2.71	16.38
Benefits paid	(1.76)	(2.71)	4.74
Actuarial Gain/(Loss) on plan assets	-	-	(0.11)
Closing fair value of plan assets	-	-	50.23
e) Expected contribution to defined benefit plan for the year 2015-16			
	Leave Encashment (Rs. in lacs)		Grat (Rs. in lacs)
	1.85		7.00
f) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:			
	Leave Encashment		Grat
<b>Particulars</b>	<b>As at 31st March, 2015</b>	As at 31st March, 2014	<b>As at 31st March, 2015</b>
	%	%	%
Investments with insurer under: (a) Funds Managed by Insurer	NIL	NIL	100.00
g) The principal actuarial assumptions at the Balance Sheet date.			
	Leave Encashment		Grat
	<b>As at 31st March, 2015</b>	As at 31st March, 2014	<b>As at 31st March, 2015</b>
Discount rate	7.85%	8.90%	7.85%
Expected rate of return on plan assets	0.00%	0.00%	8.25%
Mortality Rate	As per ULT table (2006-2008)	As per ULT table (2006-2008)	As per ULT table (2006-2008)
Withdrawal Rate	4% per annum withdrawal rate at all ages	4% per annum withdrawal rate at all ages	4% per annum withdrawal rate at all ages
Retirement Age	58 Yrs	58 Yrs	58 Yrs
Salary Escalation Rate	7.50%	7.50%	7.50%
The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and of factors such as supply and demand in the employment market.			

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As at 31st March, 2014
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8.25%
As per ULT table (2006- 2008)
4% per annum withdrawal rate at all ages
58 Yrs
7.50%

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

**2.22 Contingent Liabilities and Commitments**

Particulars	31-Mar-15	31-Mar-14
	Rs. (in Cr.)	Rs. (in Cr.)
Estimated amount of contracts remaining unexecuted on capital account and not provided for (Net of Capital	563.69	461.92
The project Milestone I & II as per Schedule – G to the concession agreement with NHAI were due on 29-03-2011 and 30-09-2011 respectively which were achieved by the company on the respective dates as per the conditions mentioned in the Schedule – G to the concession agreement. However, the same have been disputed by NHAI by not considering the advance payments to EPC contractor as amount expended and linking the milestone to the progress of the work which is no where defined in the Schedule – G to the concession agreement. Hence, the damages payable for non-achievement of both the milestones pursuant to clause 12.4.2 of the concession agreement till 3.03.2014 are not applicable to the company, in our opinion. In view of the demands amounting to Rs. 89.03 Crore till raised by NHAI being contested by us, the above amount has been disclosed as a contingent liability in the Notes on Accounts. Further, the Milestone III and COD being due on 29-Dec-2012 and 31-Mar-2013 also could not be achieved by the company for reasons attributable to NHAI for which the company has also requested the authority for extension of time. In view of the above, in our opinion, no damages are payable by the company pursuant to clause 12.4.1 of the concession agreement till March 31, 2014. Consequent to above, there is no amount payable in our opinion, to NHAI in respect of toll fees collected and interest thereon pursuant to clause 31.3.1A (iii) of the concession agreement with NHAI.	106.71	89.03
The company has received a Show Cause Notice from NHAI imposing damages of Rs. 1.36 Crore till 30-11-2011 for breach of maintenance obligations which has been disputed by the company and hence the company has disclosed Rs. 4.13 Crore till 31-03-2015 as contingent liability in the Notes on Accounts.	4.13	2.71
Performance Bank Guarantee issued in favor of NHAI	168.00	168.00
	<b>842.53</b>	<b>721.66</b>

**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 During the year, the company has entered into a Supplementary Agreement (SA) with NHAI dated October 31, 2014 as per which the dates for Milestone(s) and COD under the concession agreement entered into between the company and NHAI have been revised to 31-Dec-2015. As per the SA, NHAI has waived the penalty leviable under clause 12.4.1 of the concession agreement considering the revised Milestones and COD dates fixed thereunder.

Further, under the SA penalty amounting to Rs. 22.68 Lacs has been levied upon the company by NHAI for escrow and other default which have been paid by the company

2.27 The escrow account of the company for toll collection had been withheld by NHAI from October 2013 due to which the company was unable to pay the amount of premium and other cost due / reimbursable to NHAI on the respective due dates. The said account was de-frozen by NHAI from November 2014. The premium payable to NHAI for the intermittent period has been directly transferred by the bank to NHAI as and when instructed to them by the latter along with interest amounting to Rs. 4.41 cr which has been contested by the company. Pending settlement, the same has been booked as interest expenses.

2.28 Previous year figures have been regrouped and re-arranged where ever necessary to conform to current year's classification.

As per our attached report of even date

**For M K P S & Associates**

For and on behalf of the Board

**Chartered Accountants**

**Firm's Regn. No. 302014E**

**Narendra Khandal**

Partner

Membership No. : 65025

Place: Mumbai

Date:

**Mayank Jain**

Director

Place: Mumbai

Date:

**Madan Biyani**

Director