

INDEPENDENT AUDITOR'S REPORT

To the Members of Reliance Airport Developers Private Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

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

CA Narendra Khandal
Partner
M. No. 065025
Mumbai

Annexure to Auditors' report

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

Reliance Airport Developers Private Limited

for the year ended on 31st March 2015

- (i) a) In our opinion and according to the information and explanations given to us, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) There is a phased programme for verification of fixed assets, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In our opinion, and according to the information and explanations given to us, the Company does not carry any Inventory. Hence, the reporting requirements under clause (ii) of paragraph 3 of the Order are not applicable to the Company.
- (iii) In our opinion, and according to the information and explanation given to us, the company has granted loan companies covered in the register maintained pursuant to section 189 of the Act. The same are interest free, repayable on demand and no demand in respect of the same have been made hence there are no overdue in respect of the same.
- (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) The accumulated losses of the company as at the Balance sheet date are not more than 50% of the net worth of the company. However, the company has incurred cash losses of Rs. 3.92 Lacs and Rs. 1.78 Lacs during the current year and the immediately preceding financial year respectively.
- (ix) In view of there being no borrowings from banks or financial institution or debenture holders, the reporting requirements under clause 4(ix) of paragraph 3 the order are not applicable to the company.
- (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 view of no term loans being availed by the company, the reporting requirements under of clause 4(xi) of paragraph 3 of the order are not applicable to the company.
- (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.

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

CA Narendra Khandal
Partner
M. No. 065025
Mumbai

**RELIANCE AIRPORT DEVELOPERS PRIVATE LIMITED
(STANDALONE)**

**ANNUAL ACCOUNTS FOR
THE FY 2014 - 2015**

Reliance Airport Developers Private Limited
Balance Sheet as at 31st March 2015

Particulars	Note No.	31st March 2015 ₹	31st March 2014 ₹
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2.1	71,396,650	7 13 96 650
Reserves and surplus	2.2	<u>638,710,406</u>	<u>63 91 02 021</u>
		710,107,056	71 04 98 671
Non-Current Liabilities			
Long-term borrowings	2.3	<u>48,428,700</u>	<u>29,765,500.00</u>
		48,428,700	2 97 65 500
Current Liabilities			
Trade payables	2.4	<u>22,925</u>	<u>22 925</u>
		22,925	22 925
Total		<u><u>758,558,681</u></u>	<u><u>74 02 87 096</u></u>
II. ASSETS			
Non-current assets			
Non-current investments	2.5	558,062,462	53 97 99 261
Long-term loans and advances	2.6	175,495,538	175,495,538
Current Assets			
Cash and cash equivalents	2.7	23,142	14 758
Short-term loans and advances	2.8	24,977,539	2 49 77 539
Total		<u><u>758,558,681</u></u>	<u><u>74 02 87 096</u></u>

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

As per our Report of even date.

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

For and on behalf of the Board

CA Narendra Khandal
 Partner
 Membership No. : 065025

Binu Varghese
 Director

Shailendra Jain
 Director

Place: Mumbai
 Date:

Place: Mumbai
 Date:

Reliance Airport Developers Private Limited
Statement of Profit and Loss for the year ended 31st March 2015

Particulars	Note No.	Year ended 31st March 2015 ₹	Year ended 31st March 2014 ₹
III. Total Revenue (I + II)		-	-
Expenses:			
Other expenses	2.9	391,615	178,478
IV. Total Expenses		391,615	178,478
V. Profit before Tax (III - IV)		(391,615)	(178,478)
VI. Tax Expenses			
VII. Profit (Loss) after tax (V - VI)		(391,615)	(178,478)
VIII. Earning Per equity share :			
- Basic & Diluted	2.91	(0.05)	(0.03)

Significant Accounting Policies and Notes on Financial Statements

1 & 2

As per our Report of even date.

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

For and on behalf of the Board

CA Narendra Khandal
Partner
Membership No. : 065025

Binu Varghese
Director

Shailendra Jain
Director

Place: Mumbai
Date:

Place: Mumbai
Date:

Reliance Airport Developers Private Limited
Cash Flow Statement for the year ended 31st March 2015

Particulars		Year ended	Year ended
		31st March 2015	31st March 2014
		₹	₹
A. Cash Flow from/ (used in) Operating Activities			
Net Profit/ (Loss) after Tax		(391,615)	(178,478)
Operating Profit before Working capital changes		(391,615)	(178,478)
Adjustments for:			
Trade and Other receivables		-	(281,384)
Trade and other liabilities		-	(171,280)
Cash Flow from/ (used in) Operating Activities	[A]	(391,615)	(631,142)
B. Cash flow from/ (used in) Investing Activities			
Purchase of Investments		(18,263,201)	(29,244,861)
Cash flow from / (used in) Investing Activities	[B]	(18,263,201)	(29,244,861)
C. Cash flow from/ (used in) Financing Activities			
Proceeds from Subordinate debt from Holding Company		47,998,920	29,335,720
Proceeds from Loan from Holding Company		(29,335,718)	429,779
Net cash generated from/ (used in) Financing Activities	[C]	18,663,202	29,765,499
Net (Decrease)/ Increase in Cash and Cash equivalents	[A+B+C]	8,386	(110,504)
Cash and Cash equivalents as at the commencement of the period (Opening Balance)		14,756	125,260
Cash and Cash equivalents as at the end of the period (Closing Balance)		23,142	14,756
Net (Decrease)/ Increase in Cash and Cash equivalents		8,386	(110,504)

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

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

As per our Report of even date.

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

For and on behalf of the Board

Partner
Membership No. : 065025

Binu Varghese
Director

Shailendra Jain
Director

Place: Mumbai
Date:

Place: Mumbai
Date:

Reliance Airport Developers Private Limited
Notes annexed to and forming part of the financial statements

Note 1 Significant Accounting Policies

Introduction

Reliance Airport Developers Private Limited (RADPL) and its subsidiaries are mainly engaged in development, operations and maintenance of airport infrastructure facilities.

Significant Accounting Policies:

a) 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, 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 Companies (Accounting Standards) Rules, 2006.

b) Use of Estimate:

The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as on date of the financial statements and reported amount of revenue and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions,

c) Investments

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

1.5 Inventories

Inventories including traded goods are valued at lower of cost or net realizable value after providing for obsolescence, if any.

Cost of raw materials, stores and spares and packing materials is determined on moving weighted average basis.

Cost of Semi-finished products, finished products and by-products is determined on standard costing basis.

d) Revenue Recognition Policy:

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

Revenue from these services is recognized as follows:

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

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

e) Taxation

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

f) Foreign Exchange Transactions

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

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

g) 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.

h) Borrowing Costs:

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

i) Provisions

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

j) Contingent liabilities:

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

k) Cash and cash equivalents:

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

Reliance Airport Developers Private Limited
Notes on Financial Statements for the year ended 31st March 2015
Note 2.1 Share Capital

	31st March 2015		31st March 2014	
	Nos.	₹	Nos.	₹
Authorized				
Equity Shares Rs. 10 par value	9,000,000	90,000,000	9,000,000	90,000,000
		90,000,000		90,000,000
Issued				
Equity Shares Rs. 10 par value	7,139,665	71,396,650	7,139,665	71,396,650
		71,396,650		71,396,650
Subscribed and Fully Paidup				
Equity Shares Rs. 10 each fully paidup (All Shares are held by Reliance Infrastructure Limited, the Holding Company and it's nominees)	7,139,665	71,396,650	7,139,665	71,396,650
		71,396,650		71,396,650
Reconciliation of shares				
No. of shares at the beginning of the year	7,139,665	71,396,650	6,944,350	69,443,500
Add : No. of Shares Issued during the year	-	-	195,315	1,953,150
No. of Shares at the end of the year	7,139,665	71,396,650	7,139,665	71,396,650

Rights, Preferences and Restrictions -

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

Shares held by	No. of Shares	Amount	No. of Shares	Amount
- Holding Company (M/s. Reliance Infrastructure Limited)	7,139,665	71,396,650	7,139,665	71,396,650
	7,139,665	71,396,650	7,139,665	71,396,650

Shareholders holding more than 5% of shares :

Name	No. of Shares	% of shareholding	No. of Shares	% of shareholding
Reliance Infrastructure Limited	7,139,665	100%	7,139,665	100%
TOTAL	7,139,665	100%	7,139,665	100%

Note 2.2 Reserves and Surplus

Securities Premium Account				
Opening Balance	641,669,850		641,669,850	
Add : Securities premium credited on Share issued during the year	-		-	
Closing Balance		641,669,850		641,669,850
Surplus				
Statement of Profit and Loss				
Opening Balance	(2,567,829)		(2,389,350)	
(+) Net Profit/(Net Loss) For the current year	(391,615)		(178,478)	
Closing Balance		(2,959,444)		(2,567,829)
TOTAL		638,710,406		639,102,021

Reliance Airport Developers Private Limited
Notes on Financial Statements for the year ended 31st March 2015

	31st March 2015	31st March 2014
	₹	₹
Note 2.3 Long Term Borrowings		
Unsecured		
Loans and advances from related parties		
Sub Ordinate Debts from Reliance Infrastructure Limited, Holding Company	48,428,700	29,765,500
TOTAL	48,428,700	29,765,500
Note 2.4 Trade Payables		
Trade payables	22,925	22,925
TOTAL	22,925	22,925

Reliance Airport Developers Private Limited
Notes on Financial Statements for the year ended 31st March 2015

	31st March 2015 ₹	31st March 2014 ₹
Note 2.5 Non-current Investments		
Other Investments		
Investment in Subsidiaries	558,062,462	539,799,261
Total	558,062,462	539,799,261
Note 2.6 Long Term Loans and Advances		
Unsecured Considered Good		
Loans & Advances to Subsidiaries	175,495,538	175,495,538
TOTAL	175,495,538	175,495,538
Note 2.7 Cash and Cash Equivalents		
Balances with banks	23,142	14,758
Total	23,142	14,758
Note 2.8 Short Term Loans and Advances		
Unsecured Considered Good		
Others:		
Advance Income Tax	101	101
Advance Recoverable in cash or in kind or for value to be received	1,200,934	1,200,934
- From Others (Advance against Equity/ICD Placement/Sub Debt g)	23,776,504	23,776,504
Total	24,977,539	24,977,539

Reliance Airport Developers Private Limited**Notes on Financial Statements for the year ended 31st March 2015**

	As at 31st March 2015 ₹	As at 31st March 2014 ₹
Note 2.9 - Other Expenses		
Audit Fees	31,541	15,000
Professional Fees	190,045	28,150
Miscellaneous Expenses	148,902	95,150
Rate & Taxes	21,127	40,178
	391,615	178,478

Reliance Airport Developers Private Limited
Notes annexed to and forming part of the financial statements

Note 2.10 Earnings per Share

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

Particulars	As at 31st March 2015	As at 31st March 2014
	₹	₹
Basic / Diluted Earning Per Share:		
Profit after taxation as per Profit and Loss Account	(391,615)	(240,138)
Number of Equity Shares Outstanding	71 39 665	69 44 350
Basic / Diluted Earning Per Share	(0.05)	(0.03)
Nominal value of equity share	10.00	10.00

Note 2.11 Related Party Disclosures

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

a. Details of Related parties, where control exists:

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

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

Nature of Transactions	Name of the related party	Outstanding balance as at 31 March 2014	Transactions during the year	Balance as on 31 March 2015
Equity Share Capital	Reliance Infrastructure Limited	71,396,650	-	71,396,650.00
Securities Premium Account	Reliance Infrastructure Limited	641,669,850	-	641,669,850
Sub Ordinate Debt Received	Reliance Infrastructure Limited	29,765,500	18,663,200	48,428,700

c. Following are the investments made in subsidiaries through Sub Ordinate Debt during the period and outstanding balances as at the end of the year:

Nature of Transaction	Name of the related party	Outstanding balance as at 31 March 2014	Transactions during the year	Balance as on 31 March 2015
Investment in Subsidiary	Baramati Airport Private Limited	162,800	-	162,800
Investment in Subsidiary	Latur Airport Private Limited	793,280	-	793,280
Investment in Subsidiary	Nanded Airport Private Limited	27,968,100	17,079,200	45,047,300
Investment in Subsidiary	Osmanabad Airport Private Limited	81,400	592,000	673,400
Investment in Subsidiary	Yavatmal Airport Private Limited	474,340	592,000	1,066,340

Reliance Airport Developers Private Limited
Notes on Financial Statements for the year ended 31st March 2015

Note 2.12 Micro and small enterprises as defined under the MSMED Act, 2006

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

Note 2.13 Segment Reporting

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

Note 2.14 On consideration of prudence the deferred tax assets in respect of timing differences have been recognised to the extent of deferred tax liabilities only, resulting in no provision for deferred tax asset/liability.

Note 2.15 In the opinion of the management, the Current Assets, Loans and Advances and Current Liabilities are approximately of the value stated, if realised / paid in the ordinary course of business. The provision for all known liabilities is adequate and is not in excess of amounts considered reasonably necessary.

Note 2.16 Previous year figures have been regrouped and re-arranged wherever necessary to confirm to current year's classification.

As per our Report of even date.

For M K P S & Associates

Firm Registration No.: 302014E
Chartered Accountants

CA Narendra Khandal

Partner
Membership No. : 065025

Place : Mumbai
Date:

For and on behalf of the Board

Binu Varghese
Director

Shailendra Jain
Director

Place : Mumbai
Date: