

HK TOLL ROAD PRIVATE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2016

HK Toll Road Private Limited

Balance Sheet as at 31st March 2016

	Note	As at March 31, 2016		As at March 31, 2015	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
Shareholders' Funds					
Share capital	2.1	3,71,10,000		3,71,10,000	
Reserves and surplus	2.2	(1,17,61,366)	2,53,48,634	51,66,39,591	55,37,49,591
Non-current liabilities					
Long-term borrowings	2.3	8,39,79,54,955		7,58,72,74,955	
Other Long term liabilities	2.4	34,67,53,023		11,78,92,065	
Long-term provisions	2.5	29,45,402	8,74,76,53,380	23,96,516	7,70,75,63,536
Current liabilities					
Trade payables	2.6	17,78,22,178		5,28,28,346	
Other current liabilities	2.7	16,20,98,585		32,08,34,114	
Short-term provisions	2.8	1,09,382	34,00,30,145	89,626	37,37,52,086
Total			9,11,30,32,159		8,63,50,65,213
II. ASSETS					
Non-current assets					
Fixed Assets					
(i) Tangible assets	2.09	35,62,312		38,18,596	
(ii) Intangible assets	2.10	8,98,88,02,655		7,14,73,33,709	
(iii) Intangible assets under development	2.11	2,77,45,014	9,02,01,09,981	1,38,30,24,651	8,53,41,76,956
Current Assets					
Cash and Bank Balance	2.12		5,33,62,137		5,35,22,345
Short-term loans and advances	2.13		3,93,20,324		4,73,22,037
Other current assets	2.14		2,39,717		43,875
Total			9,11,30,32,159		8,63,50,65,213
Significant Accounting Policies and Notes on Financial Statements	1 & 2				

As per our attached Report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Regn. No. 006711N / N500028

For and on behalf of the Board

Pramod Tilwani
Partner
Membership No. : 76650

Kaushik Pal
Director & CEO
DIN:05237230

Madan Biyani
Director & CFO
DIN:07130371

Place: Mumbai
Date: 14th May 2016

Place: Mumbai
Date: 14th May 2016

HK Toll Road Private Limited

Statement of Profit and Loss for the year ended 31st March 2016

	Note	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
I. Revenue from operations	2.15	1,17,30,24,162	1,16,82,00,560
II. Other income	2.16	20,66,813	39,67,831
III. Total Revenue		1,17,50,90,975	1,17,21,68,391
IV. EXPENSES:			
Employee benefit expenses	2.17	1,58,27,720	1,60,98,510
Other expenses	2.18	92,85,86,392	87,36,85,015
Finance costs	2.19	65,36,17,782	41,65,68,070
Depreciation and amortization expenses	2.09 & 2.10	10,54,60,038	6,72,34,449
Total Expenses		1,70,34,91,932	1,37,35,86,044
V. Profit before Tax		(52,84,00,957)	(20,14,17,653)
VI. Tax Expenses			
Current Tax		-	-
VII. Profit (Loss) after Tax		(52,84,00,957)	(20,14,17,653)
VIII. Earnings Per equity share (Face Value Rs. 10) :			
Basic & Diluted	2.20	(142.39)	(54.28)
Significant Accounting Policies and Notes on Financial Statements	1 & 2		

This is the Statement of Profit and Loss referred to in our report of even date.

For T R Chadha & Co LLP

Chartered Accountants

Firm Regn. No. 006711N / N500028

Pramod Tilwani

Partner

Membership No. : 76650

Place: Mumbai

Date: 14th May 2016

For and on behalf of the Board**Kaushik Pal**

Director & CEO

DIN:05237230

Place: Mumbai

Date: 14th May 2016

Madan Biyani

Director & CFO

DIN:07130371

HK Toll Road Private Limited

Cash Flow Statement for the year ended 31st March 2016

	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
Cash Flow from/ (used in) Operating Activities		
Net Profit/ (Loss) before Tax	(52,84,00,957)	(20,14,17,653)
Adjustments for:		
Dividend Income	-	32,33,955
Interest Income	12,77,895	7,13,876
Operating Profit before Working Capital Changes		
Adjustments for:		
Trade and Other receivables	(1,95,842)	24,354
Trade Payables	35,04,58,306	9,62,97,026
Income Tax (Net)	1,89,60,188	1,90,63,990
Cash Flow from/ (used in) Operating Activities	[A] (19,83,76,576)	(12,81,08,094)
Cash flow from/ (used in) Investing Activities		
Purchase/ Acquisition of Fixed Assets	(61,37,41,527)	(1,08,93,60,162)
Fixed Deposit with more than 3 months maturity	-	25,00,000
Dividend Income	-	32,33,955
Interest Income	12,77,895	7,13,876
Cash flow from/ (used in) Investing Activities	[B] (61,24,63,632)	(1,08,29,12,331)
Cash flow from/ (used in) Financing Activities		
Proceeds from Long term Borrowings	82,40,00,000	1,18,95,00,000
Repayment of Long Term borrowings	(1,33,20,000)	(1,33,20,000)
Net cash generated from/ (used in) Financing Activities	[C] 81,06,80,000	1,17,61,80,000
Net (Decrease)/ Increase in Cash and Cash equivalents	[A+B+C] (1,60,208)	(3,48,40,425)
Cash and Cash equivalents as at the commencement of the year (Opening Balance)	5,35,22,345	8,83,62,770
Cash and Cash equivalents as at the end of the year (Closing Balance) *	5,33,62,137	5,35,22,345
Net (Decrease)/ Increase in Cash and Cash equivalents	(1,60,208)	(3,48,40,425)

Figures for the previous year have been regrouped/reclassified/rearranged wherever necessary to make them comparable to those for the current year.

For T R Chadha & Co LLP
Chartered Accountants
Firm Regn. No. 006711N / N500028

For and on behalf of the Board

Pramod Tilwani
Partner
Membership No. : 76650

Kaushik Pal
Director & CEO
DIN:05237230

Madan Biyani
Director & CFO
DIN:07430371

Place: Mumbai
Date: 14th May 2016

Place: Mumbai
Date: 14th May 2016

HK Toll Road Private Limited

Notes to Financial statements forming part of accounts for the year ended 31st March 2016

INTRODUCTION:

The Company has been awarded to carry on Design, Build, Finance, Operate and Transfer (DBFOT) basis Design, Engineering, Construction, Operation and Maintenance for Six laning of Hosur - Krishnagiri section of National Highway - 7 (km 33.130 to km 93.000) in the state of Tamilnadu under the Concession Agreement dated July 2nd, 2010 with National Highways Authority of India. The Concession Agreement is for a period of 24 years from appointed date as defined in clause 15.1.1. The Company is a wholly owned subsidiary of Reliance Infrastructure Ltd, a public company registered as per section 3 of the Companies Act, 1956. During the year, The Company has started Toll collection w.e.f. 07-06-2011.

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 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 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.

HK Toll Road Private Limited

Notes to Financial statements forming part of accounts for the year ended 31st March 2016

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.

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.

1.16 Cash and Cash Equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash on hand and demand deposits with bank.

HK Toll Road Private Limited

Notes on Financial Statements for the year ended 31st March 2016

	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Note 2.1 Share Capital		
Authorized		
Equity Shares Rs. 10 par value 5000000 (5000000) equity shares	<u>5,00,00,000</u> <u>5,00,00,000</u>	<u>5,00,00,000</u> <u>5,00,00,000</u>
Issued, Subscribed and Paidup		
Equity Shares Rs. 10 par value 3711000 (3711000) equity shares	<u>3,71,10,000</u> <u>3,71,10,000</u>	<u>3,71,10,000</u> <u>3,71,10,000</u>

Reconciliation of shares

No. of shares at the beginning of the year	37,11,000	37,11,000
Add : No. of Shares Issued during the year	-	-
No. of Shares at the end of the year	<u>37,11,000</u>	<u>37,11,000</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.

Shares held by	No. of Shares	Amount	No. of Shares	Amount
- Its Holding Company (M/s Reliance Infrastructure Limited)	37,11,000	3,71,10,000	37,11,000	3,71,09,990

Shareholders holding more than 5% of shares :

Name	No. of Shares	%	No. of Shares	%
Reliance Infrastructure Limited	37,11,000	100%	37,11,000	100%

Note 2.2 Reserves and Surplus

Securities Premium Reserves				
Opening Balance	33,30,90,000		33,30,90,000	
Addition during the year	-		-	
Closing Balance		33,30,90,000		33,30,90,000
Surplus as per Statement of Profit and Loss				
Opening Balance	18,35,49,591		38,49,67,244	
Transferred from Statement of Profit and Loss	<u>(52,84,00,957)</u>		<u>(20,14,17,653)</u>	
Closing Balance		(34,48,51,366)		18,35,49,591
Total		<u>(1,17,61,366)</u>		<u>51,66,39,591</u>

HK Toll Road Private Limited

Notes annexed to and forming part of the financial statements for year ended 31st March 2016

	As at March 31, 2016		As at March 31, 2015	
	Non Current ₹	Current * ₹	Non Current ₹	Current * ₹
Note 2.3 Long Term Borrowings				
A) Secured				
Term loans from Banks	5,49,73,54,955	1,33,20,000	4,99,46,74,955	1,33,20,000
	5,49,73,54,955	1,33,20,000	4,99,46,74,955	1,33,20,000
B) Unsecured				
Sub Ordinate Debts from Reliance Infrastructure Limited (Holding Company)	2,90,06,00,000	-	2,59,26,00,000	-
Repayment based on available cash flow after repayment of the entire secured loans to Lenders and carries 0% interest				
Total (A+B)	8,39,79,54,955	1,33,20,000	7,58,72,74,955	1,33,20,000

* Current Maturities of Long term debt disclosed under other current liabilities (Refer Note 2.8)

Secured By :-

- First charge of all immovable & movable properties, present and future, except the Project Assets.
- First Charge on receivables, book debts, cash and cash equivalents including any other bank accounts and other assets, present and future.
- First Charge on government approvals, insurance policies, uncalled capital, project documents, guarantees, letter of credit, performance warranties,
- Repayment Terms :- The repayment of loan will be started from 05 Dec 2014 and payable in 46 quarterly installments.
- The applicable interest rate shall be Canara Bank Base Rate + 2%.

Maturity Profile of Secured loans are as under:

Particulars	Term Loan
	From Banks
FY 2016-17	1,33,20,000
FY 2017-18	1,33,20,000
FY 2018-19	2,10,90,000
FY 2019-20	4,21,80,000
FY 2020-21	5,55,00,000
FY 2021-22	5,55,00,000
FY 2022-23 onwards	5,30,97,64,955
Total	5,51,06,74,955

HK Toll Road Private Limited

Notes on Financial Statements for the year ended 31st March 2016

	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Note 2.4 Other Long Term Liabilities		
Retention Payable	1,12,88,549	78,92,065
Deferred Premium	33,54,64,474	11,00,00,000
Total	34,67,53,023	11,78,92,065
Note 2.5 Long Term Provisions		
Provision for employee benefits		
Leave Encashment	27,90,677	22,41,791
Gratuity	1,54,725	1,54,725
Total	29,45,402	23,96,516
Note 2.6 Trade Payables		
Trade Payables	17,78,22,178	5,28,28,346
(Amount due to MSME Nil - Refer note no. 2.25)	17,78,22,178	5,28,28,346
Note 2.7 Other current Liabilities		
Current maturities of long-term debt	1,33,20,000	1,33,20,000
Unearned Income	-	5,10,055
Creditors for Capital Expenditure	13,89,03,900	30,09,61,061
Other Current Liabilities	98,74,685	60,42,998
Total	16,20,98,585	32,08,34,114
Note 2.8 Short Term Provisions		
Provision for leave encashment	1,09,382	89,626
Total	1,09,382	89,626

HK Toll Road Private Limited
Notes on Financial Statements for the year ended 31st March 2016

Note 2.9 Tangible Assets

Particulars	Gross Block			Depreciation		Net Block	
	As at April 1, 2015	Additions during the year	As at March 31, 2016	As at April 1, 2015	Additions during the year	As at March 31, 2016	As at March 31, 2015
	₹	₹	₹	₹	₹	₹	₹
Plant & Machinery	10,11,647	10,551	10,22,198	1,85,984	1,17,109	3,03,093	8,25,663
Buildings	16,28,600	-	16,28,600	85,519	32,572	1,18,091	15,43,081
Furniture and Fixtures	4,04,635	-	4,04,635	1,74,000	37,110	2,11,110	2,30,635
Computer and Office Equipments	38,27,543	8,54,934	46,82,477	26,08,326	9,34,978	35,43,304	12,19,217
Total	68,72,425	8,65,485	77,37,910	30,53,829	11,21,769	41,75,598	38,18,596
Previous Year	60,06,918	8,65,507	68,72,425	9,52,193	21,01,636	30,53,829	-

Note 2.10 Intangible Assets

Particulars	Gross Block			Amortisation		Net Block	
	As at April 1, 2015	Additions during the year	As at March 31, 2016	As at April 1, 2015	Additions during the year	As at March 31, 2016	As at March 31, 2015
	₹	₹	₹	₹	₹	₹	₹
Computer Software	1,48,33,807	-	1,48,33,807	1,19,59,193	10,03,311	1,29,62,504	28,74,614
Toll Collection on Right	7,20,61,40,565	1,94,58,19,486	9,15,19,60,051	6,16,81,470	10,33,47,229	16,50,28,699	7,14,44,59,095
Total	7,22,09,74,372	1,94,58,19,486	9,16,67,93,858	7,36,40,663	10,43,50,540	17,79,91,203	7,14,73,33,709
Previous Year	1,48,33,807	7,20,61,40,565	7,22,09,74,372	83,37,956	6,53,02,707	7,36,40,663	-

HK Toll Road Private Limited

Notes on Financial Statements for the year ended 31st March 2016

	As at March 31, 2015 ₹	Incurred during the Year ₹	Capitalised during the Year ₹	As at March 31, 2016 ₹
Note 2.11 Intangible assets under development				
A) Assets under construction pending allocation				
Project Contract Expenses	1,27,90,15,768	44,61,80,638	1,72,51,96,406	-
Electronic Toll Collection	19,14,314	2,58,30,701	-	2,77,45,015
Sub - Total (A)	1,28,09,30,082	47,20,11,339	1,72,51,96,406	2,77,45,015
B) Incidental Expenses related to development of intangible assets				
Rent	1,47,895	24,698	1,72,593	-
Electricity Expenses	18,307	1,103	19,410	-
Travelling & Conveyance	2,75,990	18,413	2,94,403	-
Salaries, Bonus and Other Allowances	52,61,055	5,48,795	58,09,850	-
Other Miscellaneous Expenses	2,46,988	1,02,697	3,49,685	-
Guarantee Commission	10,52,463	-	10,52,463	-
Insurance Charges	10,65,499	92,383	11,57,882	-
Legal And Professional Charges	29,52,769	5,18,086	34,70,855	-
Communication Expenses	1,75,962	76,348	2,52,310	-
Bank Charges	25,627	7,681	33,308	-
Auditors' Remuneration	-	-	-	-
For Audit Fees	60,400	-	60,400	-
For Certification Charges	34,640	-	34,640	-
For Out of Pocket Exps	304	-	304	-
Depreciation	1,49,101	12,271	1,61,372	-
Upfront Fees	6,04,000	-	6,04,000	-
Arrangers' Fees	11,23,240	-	11,23,240	-
Vehicle expenses	7,49,201	65,872	8,15,073	-
Repair & Maintenance Others	56,531	10,00,79,039	10,01,35,570	-
Project Execution Support Services	31,70,528	-	31,70,528	-
Interest and Finance Charges	8,49,31,546	1,69,81,123	10,19,12,669	-
Sub - Total (B)	10,21,02,046	11,85,28,509	22,06,30,555	-
Less : Other Income	7,476	-	7,476	-
Sub - Total (C)	7,476	-	7,476	-
Sub - Total (B + C = D)	10,20,94,570	11,85,28,509	22,06,23,079	-
Grand Total (A + D)	1,38,30,24,651	59,05,39,848	1,94,58,19,486	2,77,45,014

HK Toll Road Private Limited

Notes on Financial Statements for the year ended 31st March 2016

	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Note 2.12 Cash and Bank Balance		
a) Cash and Cash Equivalents -		
Balances with banks -		
Current Account	1,12,99,447	4,79,30,265
Bank deposits with less than 12 months maturity	3,85,00,000	25,00,000
Cash on hand	35,62,690	30,92,080
Total	5,33,62,137	5,35,22,345
Note 2.13 Short Term Loans and Advances		
Advance Income Tax	1,89,60,188	1,68,78,746
Recoverable from Government Authorities	-	2,43,73,423
Security deposits	4,00,000	4,00,000
Other Receivables	65,36,621	49,26,035
Advance to Vendor	1,30,24,810	3,17,000
Prepaid Expenses	3,98,705	4,26,833
Total	3,93,20,324	4,73,22,037
Note 2.14 Other Current Assets		
Interest Accrued on Fixed Deposits	2,39,717	43,875
Total	2,39,717	43,875

HK Toll Road Private Limited

Notes on Financial Statements for the year ended 31st March 2016

	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
Note 2.15 Revenue from Operations		
Sale of services - Toll Collection	1,17,30,24,162	1,16,82,00,560
Total	1,17,30,24,162	1,16,82,00,560
Note 2.16 Other Income		
Interest Income	12,77,895	7,13,876
Dividend Income	-	32,33,955
Other Income	7,88,918	20,000
Total	20,66,813	39,67,831
Note 2.17 Employee benefit expenses		
Salaries and incentives	1,47,73,246	1,50,67,478
Contributions to - Provident fund	5,27,947	5,14,996
Gratuity fund contributions	5,26,527	5,16,036
Total	1,58,27,720	1,60,98,510
Note 2.18 Other Expenses		
Upfront Premium to NHAI	81,31,73,688	80,76,81,242
Toll Operation & Maintenance Exps	7,36,65,806	3,95,70,075
Electricity Expenses	54,18,848	15,14,799
Insurance	48,36,532	51,52,698
Travelling & Conveyance	4,88,599	6,44,165
Auditors' Remuneration- Audit Fees	4,35,509	3,87,240
Rent	10,35,537	5,59,122
Legal and Professional Charges	2,36,47,523	1,17,24,875
Vehicle Hire Charges Exps	20,14,452	20,14,412
Guarantee Commission	1,60,584	10,32,927
Other Misc. Exps	37,09,314	34,03,460
Total	92,85,86,392	87,36,85,015
Note 2.19 Finance Costs		
Interest Expenses	65,31,59,432	41,56,58,758
Other Finance Exps	4,58,350	9,09,312
TOTAL	65,36,17,782	41,65,68,070

HK Toll Road Private Limited

Notes on Financial Statements for the year ended 31st March 2016

2.20 Retirement Benefits:

Disclosure as required by Accounting Standard (AS) - 15 (Revised 2005) "Employee Benefits" Issued by ICAI are given below:

(A) Defined Contribution Plans

- Provident Fund
- 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.

(B) Defined Benefit Plans

- Gratuity
- 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:

- 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, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Current service cost	4.76	4.63	3.63	3.41
Interest cost on benefit obligation	2.17	2.10	1.92	1.81
Expected return on plan assets	-	-	(1.80)	(1.61)
Net actuarial gain/(loss) recognised during the year	(1.04)	(2.12)	(0.88)	1.88
Current service cost	5.89	4.61	2.87	5.49

(ii) Defined Contribution Plan	Provident Fund	
	Year Ended March 31, 2016	Year Ended March 31, 2015
	(Rs. in lacs)	(Rs. in lacs)
Current service cost included in Statement of Profit & Loss /Intangible Assets Under Development	5.00	6.18

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

	Leave Encashment		Gratuity	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Present value of obligation	29.00	23.31	25.62	21.18
Less: Fair value of plan assets	-	-	25.62	19.63
Net Asset/(Liabilities) recognised in Balance Sheet	(29.00)	(23.31)	0.00	(1.55)

HK Toll Road Private Limited

Notes on Financial Statements for the year ended 31st March 2016

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, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Opening defined benefit obligation	23.31	19.43	21.18	17.25
Interest cost	2.17	2.10	1.92	1.81
Current service cost	4.76	4.63	3.63	3.41
Benefits paid	(0.20)	(0.73)	-	(3.13)
Liabilities assumed on Acquisition/Settled on Divestiture)	-	-	-	-
Actuarial (gains)/loss on obligation	(1.04)	(2.12)	(1.11)	1.84
Closing defined benefit obligation	29.00	23.31	25.62	21.18

d) Changes in the fair value of plan assets are as follows:

	Leave Encashment		Gratuity	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Opening fair value of plan assets	-	-	19.63	19.91
Expected return	-	-	1.80	1.61
Contributions made by employer during the year	0.20	0.73	4.42	1.29
Benefits paid	(0.20)	(0.73)	-	(3.13)
Actuarial Gain/(Loss) on plan assets	-	-	(0.22)	(0.05)
Assets Acquired on Acquisition/ (Distributed on divestiture)	-	-	-	-
Closing fair value of plan assets	-	-	25.62	19.63

	Leave Encashment (Rs. in lacs)	Gratuity (Rs. in lacs)
e) Expected contribution to defined benefit plan for next year	1.09	5.00

f) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Leave Encashment		Gratuity	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
	%	%	%	%
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, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Discount rate	7.80%	7.85%	7.80%	7.85%
Expected rate of return on plan assets	-	-	8.25%	8.25%
Mortality Rate	Published rates under the Indian Assured Lives Mortality (2006-08)	Published rates under the Indian Assured Lives Mortality (2006-08)	Published rates under the Indian Assured Lives Mortality (2006-08)	Published rates under the Indian Assured Lives Mortality (2006-08)
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	68 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.

HK Toll Road Private Limited

Notes on Financial Statements for the year ended 31st March 2016

2.21 Earning per Share

Particulars		Year ended March 31,	Year ended March
		2016	31, 2015
		₹	₹
Basic / Diluted Earning Per Share:			
Profit after taxation as per Profit and Loss Account	(A)	(52,84,00,957)	(20,14,17,653)
Weighted average number of Equity Shares Outstanding	(B)	37,11,000	37,11,000
Basic/Diluted Earning Per Share (in Rupees)	(A)/(B)	(142.39)	(54.28)
Nominal value of equity share (in Rupees)		10.00	10.00

2.22 Related party Transaction

Related Party Disclosure as required by Accounting Standard (As) - 18 "Related Party Disclosures" Issued by The Institute of Chartered Accountants of India:

NAME OF THE HOLDING COMPANY - Reliance Infrastructure Limited

Transactions carried out with related parties in the ordinary course of business and the year end balances there against:

Particulars	Holding Company	
	Year ended March 31,	Year ended March
	2016	31, 2015
		₹
a) Statement of Profit and Loss Heads:		
Expenses		
i) Toll Operation & Maintenance Expenses	1,80,64,932	87,86,168
ii) Reimbursement of Other Expenses	11,78,865	-
b) Balance Sheet Heads (Closing Balances):		
i) Equity Share Capital	3,71,10,000	3,71,10,000
ii) Subordinate Debts	2,90,06,00,000	2,59,26,00,000
iii) Trade Payables & Other payables	2,79,35,582	1,01,03,121
c) Transactions during the Year:		
i) Subordinate Debts	30,80,00,000	33,00,00,000

HK Toll Road Private Limited

Notes on Financial Statements for the year ended 31st March 2016

2.23 Contingent Liabilities and Commitments

Particulars	As at March 31, 2016 ₹ crore	As at March 31, 2015 ₹ crore
(a) Capital Commitments:		
Estimated amount of contracts remaining unexecuted on capital account and not provided for (Net of Capital Advances)	-	62.55
(b) Other Commitments:		
Premium payable to NHAI upto the end of concession period	2,647.12	2,728.44

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 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, 2016. 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.

2.26 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.

2.27 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.

2.28 Amounts paid in earlier years towards service tax component on expenses incurred for construction and / or operation activities were accumulated for availing input service tax credit. Based on legal opinion obtained and subsequent reviews, it has been decided that input credit in respect of the same may not be available to the company, in the absence of any eligible output tax payable. Consequently, the tax credit which was hitherto being carried forward has been reversed with corresponding effect to the carrying cost of the asset of Rs. 10,14,807/- and respective expenses of Rs. 2,74,77,597/-

2.29 Figures for the previous year have been regrouped/reclassified/rearranged wherever necessary to make them comparable to those for the current year.

As per our attached report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Regn. No. 006711N / N500028

For and on behalf of the Board

Pramod Tilwani
Partner
Membership No. : 76650

Kaushik Pal
Director & CEO
DIN:05237230

Madan Bijyani
Director & CFO
DIN:07130371

Place : Mumbai
Date: 14th May 2016

Place: Mumbai
Date: 14th May 2016