

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

To the Members of NK Toll Road Ltd.

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

Annexure to Auditors' report

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

NK Toll Road Limited

for the year ended on 31st March 2015

- (i) a) In our opinion and according to the information and explanations given to us, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) There is a phased programme for verification of fixed assets, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In our opinion, and according to the information and explanations given to us, the Company does not carry any Inventory. Hence, the reporting requirements under clause (ii) of paragraph 3 of the Order are not applicable to the Company.
- (iii) Based on the audit procedures applied by us and according to the information and explanations given to us the company has granted unsecured loan to one company listed in the register maintained under section 189 of the companies Act 2013. The maximum amount involved during the year was Rs.20450 lacs and the year end balance was Rs. 19810 lacs.
a) The receipt of principal and interest are as stipulated in the agreement.
b) There is no overdue amount hence clause (iii) (b) of the order is not applicable.
- (iv) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for activities relating to the operation and maintenance of intangible assets for collection of toll rights. The activities of the company during the year under audit did not involve purchase of inventory and sale of goods. During the course of our audit, we have neither observed nor been informed by the management of any continuing failure to correct major weaknesses in internal controls.
- (v) In our opinion, and according to the information and explanations given to us, the company has not accepted any deposits during the period under audit. Consequently, the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed there under are not applicable.
- (vi) We have broadly reviewed the cost records maintained by the company as specified by the Central Government under section 148 (1) of the Act and are of the opinion, that prima-facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax and other material statutory dues, as applicable, with the appropriate authorities in India;
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 March 31, 2015 are less than fifty percent of its net worth. 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.

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

Particulars	Note	As at March 31, 2015		As at March 31, 2014	
		₹		₹	
I. EQUITY AND LIABILITIES					
Shareholders' Funds					
Share capital	2.1	44,770,000		44,770,000	
Reserves and surplus	2.2	<u>202,297,322</u>	<u>247,067,322</u>	<u>11,028,174</u>	<u>55,798,174</u>
Non-current liabilities					
Long-term borrowings	2.3	3,145,930,000		1,590,730,000	
Deferred tax liabilities (Net)	2.4	9,979,198		-	
Other Long term liabilities	2.5	<u>884,470</u>	<u>3,156,793,668</u>	<u>2,245,794,302</u>	<u>3,836,524,302</u>
Current liabilities					
Short-term borrowings	2.6	-		1,560,000,000	
Trade payables	2.7	190,481,771		189,667,094	
Other current liabilities	2.8	<u>2,434,029,207</u>	<u>2,624,510,978</u>	<u>203,052,989</u>	<u>1,952,720,083</u>
Total			<u><u>6,028,371,968</u></u>		<u><u>5,845,042,559</u></u>
II. ASSETS					
Non-current assets					
Fixed Assets					
Tangible assets	2.90	3,465,554		3,797,144	
Intangible assets	2.10	3,135,571,554		3,232,378,118	
Intangible assets under development	2.11	<u>3,232,930</u>	<u>3,142,270,038</u>	-	<u>3,236,175,262</u>
Long-term loans and advances	2.12		<u>1,761,045</u>		<u>1,565,050</u>
Current Assets					
Current investments	2.13		43,960,375		41,729,153
Cash and Cash Balances	2.14		136,766,006		27,829,602
Short-term loans and advances	2.15		2,701,582,303		2,537,743,492
Other current assets	2.16		2,032,201		
Total			<u><u>6,028,371,968</u></u>		<u><u>5,845,042,559</u></u>
Significant Accounting Policies and Notes on Financial Statements	1 & 2				

As per our report of even date.

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

For and on behalf of the Board

C. V. Parameswar
Partner
Membership No. 11541

Mayank Jain
Director

Madan Biyani
Director

Place: Mumbai
Date:

Place: Mumbai
Date:

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

Particulars	Note	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
Revenue			
Revenue from operations	2.17	333,251,873	279,455,274
Other income	2.18	260,123,506	269,859,463
Total Revenue		593,375,379	549,314,737
Expenses			
Finance costs	2.19	154,294,905	322,224,626
Depreciation and amortisation expenses	2.9, 2.10	97,786,358	70,141,710
Other expenses	2.20	86,676,683	40,681,440
Total Expenses		338,757,946	433,047,776
Profit before Tax		254,617,433	116,266,961
Tax Expenses			
Current Tax		53,369,087	24,210,000
Deferred Tax		9,979,198	-
		63,348,285	24,210,000
Profit (Loss) after Tax		191,269,148	92,056,961
Earnings Per equity share (Face Value of ` 10 per share)			
Basic & Diluted	2.21	56.87	25.97
Significant Accounting Policies and Notes on Financial Statements	1 & 2		

As per our report of even date.

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

For and on behalf of the Board

C. V. Parameswar
Partner
Membership No. 11541

Mayank Jain
Director

Madan Biyani
Director

Place: Mumbai
Date:

Place: Mumbai
Date:

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

Particulars	Note	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
A Cash Flow from Operating Activities			
Profit before Taxation		254,617,433	116,266,961
Adjustments for:			
Depreciation		97,786,358	70,141,710
Interest and Finance Charges		154,294,905	141,309,628
Interest Income		(257,832,244)	(266,168,088)
Dividend Income		(2,231,222)	(2,217,249)
Operating Profit before Working Capital Changes		246,635,230	59,332,962
Adjustments for:			
Trade and Other receivables		114,809,973	177,451,699
Trade and Other Payables		(68,888,024)	33,936,081
		292,557,179	270,720,742
Income Taxes Paid (Net of refund)		(30,000,000)	-
Net Cash generated from Operating Activities		262,557,179	270,720,742
B Cash flow from Investing Activities			
Purchase of fixed assets		(3,881,134)	(18,000)
Purchase of investments		(2,231,222)	(41,729,153)
Investment in fixed deposits		(85,000,000)	-
Dividend Income		2,231,222	2,217,249
Interest Income		6,955,264	10,356
Net Cash in investing activities		(81,925,870)	(39,519,548)
C Cash flow from/ (used in) Financing Activities			
Proceeds from Long term borrowings		1,560,000,000	(78,300,000)
Repayment of Long Term borrowings		(2,400,000)	4,600,000
Proceeds (net) from Short term borrowings		(1,560,000,000)	-
Interest and Finance Charges		(154,294,905)	(141,309,628)
Net cash generated from Financing Activities		(156,694,905)	(215,009,628)
Net (Decrease)/ Increase in Cash and Cash equivalents	[A+B+C]	23,936,404	16,191,566
Cash and Cash equivalents as at the commencement of the year		27,829,602	11,638,036
(Opening Balance)			
Cash and Cash equivalents as at the end of the year		51,766,006	27,829,602
(Closing Balance)			
Net (Decrease)/ Increase in Cash and Cash equivalents		23,936,404	16,191,566

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

As per our report of even date.

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants
Firm Regn. No. 000038N

For and on behalf of the Board

C. V. Parameswar

Partner
Membership No. 11541

Mayank Jain

Director

Madan Biyani

Director

Place: Mumbai

Date:

Place: Mumbai

Date:

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

The Company has been awarded on Build, Operate and Transfer (BOT) basis, the widening of existing two-lane covering 33.48 kms stretch from Km 258.645 (End of Namakkal By pass) - Km 292.60 (Start of Karur Bypass) Section of National Highway No.7 in the State of Tamilnadu and operation and maintenance thereof, under the Concession Agreement dated January 30, 2006 with National Highways Authority of India. The Concession Agreement is for a period of 20 years from the appointed date as stated in the Concession Agreement.

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

The financial statements are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (the Act) and comply in material aspects with the Accounting Standards notified under Section 133 of the Act, (read with Rule 7 of the Companies (Accounts) Rules, 2014.

1.2 Financial Statements: Presentation and Disclosures:

The financial statements have been prepared as per the requirements of Schedule III notified under the Act. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

1.3 Fixed Assets and Intangible assets under developemnt

The gross block of Fixed Assets is stated at cost of acquisition or construction, including any cost attributable to bringing the assets to their working condition for their intended use.

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

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

All Project related expenditure for acquiring Toll Collection Rights viz, civil works, machinery under erection, construction and erection materials, pre-operative expenditure, expenditure indirectly related to the project and incidental to setting up project facilities, borrowing cost incurred prior to the date of commercial operation, and trial run expenditure are shown under Intangible Assets under development. These expenses are net of recoveries and income (net of tax) from surplus funds arising out of project specific borrowings.

1.4 Taxation

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

1.5 Depreciation

Depreciation on Fixed Assets is provided on Straight Line Method (SLM) on the basis of their useful life or at the rates and in the manner specified in Schedule II to the Act.

Toll Collection Rights are amortised 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. Amortisation 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.

Specialised software is amortised over a period of three years.

1.6 Revenue Recognition

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

Toll revenue from operations of the facility is accounted on receipt basis. Insurance and other claims are recognised as revenue on certainty of receipt on prudent basis. Dividend on investment is recognized when the right to receive the payment is established.

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

1.7 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

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

1.8 Employee Benefits

Contributions to defined contribution schemes such as provident fund, superannuation funds etc. are charged to Statement of Profit and Loss / Capital Work-in-Progress, as applicable. The Company also provides for retirement benefits in the form of gratuity and leave encashment. The liability in respect of this defined benefit plans is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Such defined benefits are charged to Statement of Profit and Loss / Capital Work-in-Progress, as applicable, based on actuarial valuations, as at the balance sheet date, made by independent actuaries. Actuarial gain and loss is recognised in the Statement of Profit and Loss / Capital Work-in-Progress, as may be applicable.

1.10 Impairment of Assets

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

1.11 Government Grants

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

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

1.12 Borrowing Cost

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

The Company has entered into an Operations & Maintenance Contract in the previous year, where by it has also transferred the Toll Collection Rights to Reliance Infrastructure Limited for a consideration of Rs. 275 crores. NHAI has been intimated about the Operation & Maintenance arrangement and its approval is awaited. The company will pay Fixed and Variable Service Fees for period of 12 years. This consideration amount will be duly accounted by the Company over a period of contract.

1.13 Provisions

Provisions are 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.

1.14 Contingent Liabilities and Contingent Assets

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

NK Toll Road Limited

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

Note 2.1 Share Capital

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Authorized		
Equity Shares of ₹ 10 par value		
10,00,00,000 (10,00,00,000) equity shares	1,000,000,000	1,000,000,000
	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued		
Equity Shares of ₹ 10 par value		
44,77,000 (44,77,000) equity shares	44,770,000	44,770,000
	<u>44,770,000</u>	<u>44,770,000</u>
Subscribed and Paidup		
Equity Shares of ₹ 10 each fully paid up		
44,77,000 (44,77,000) equity shares	44,770,000	44,770,000
	<u>44,770,000</u>	<u>44,770,000</u>
Reconciliation of shares		
No. of shares at the beginning of the year	4,477,000	4,477,000
Add : No. of Shares Issued during the year	-	-
No. of Shares at the end of the year	<u>4,477,000</u>	<u>4,477,000</u>

Rights, Preferences and Restrictions -

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

Shareholders holding more than 5% of shares :

Name of the shareholders	No. of Shares	%	No. of Shares	%
Reliance Infrastructure Limited	4,477,000	100%	4,477,000	100%

Note 2.2 Reserves and Surplus

Capital Reserves

Grant Received from NHAI

Opening Balance	240,000,000	240,000,000
Addition during the year	-	-
Closing Balance	<u>240,000,000</u>	<u>240,000,000</u>

Surplus

Surplus as per Statement of Profit & Loss

Opening Balance	(228,971,826)	(321,028,787)
Net Profit/(loss) for the year	191,269,148	92,056,961
Closing Balance	<u>(37,702,678)</u>	<u>(228,971,826)</u>
	<u>202,297,322</u>	<u>11,028,174</u>

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

As at March 31, 2015 ₹	As at March 31, 2014 ₹
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Note 2.3 Long Term Borrowings**Secured**

Term loans from Financial Institution*

1,176,000,000	1,180,800,000
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*** Secured By :-**

a) First charge by way of hypothecation of all the Borrower's movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets except Project Assets, present and future

b) a first charge on the Borrower's cashflows & receivables including revenues of whatever nature, present or future wherever arising, provided further that the first charge as set out herein shall arise only after the proceeds or realization thereof, if any, have been received into the Escrow Account designated for the Project and thereafter shall only be to the extent of waterfall mechanism (i.e. priorities for the withdrawal of payment) as provided in the Escrow Agreement

c) a first charge on all intangibles including but not limited to goodwill and uncalled capital, present and future, excluding the Project Assets and a charge on the uncalled capital subject however, to the provisions of the Concession Agreement.

d) Pledge of shares held by the Sponsor in demat form in equity share capital of the company

e) Repayment Terms :- The repayment of loan will be started from 30 Jun 2012 and payable in 48 quarterly installments.

Unsecured

Sub Ordinate Debts from Reliance Infrastructure Limited, holding company**

1,969,930,000	409,930,000
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** Sub Ordinate Debts shall be repaid based on available cash flow after repayment of the entire secured loans to Lenders

3,145,930,000	1,590,730,000
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Note 2.4 Deferred Tax Liabilities (Net)

Provision for Deferred Taxation

9,979,198	-
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9,979,198	-
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Note 2.5 Other Long Term Liabilities

Retention Payable

884,470	884,470
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Deferred Income

-	2,244,909,832
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884,470	2,245,794,302
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NK Toll Road Limited**Notes on Financial Statements for the year ended 31st March 2015**

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Note 2.6 Short Term Borrowings		
Unsecured	-	-
From Banks	-	1,560,000,000
	-	1,560,000,000
Note 2.7 Trade Payables		
Trade Payables	190,481,771	189,667,094
(Amount due to MSME Nil - Refer note no. 2.24)		
	190,481,771	189,667,094
Note 2.8 Other current Liabilities		
Current maturities of long-term debts	4,800,000	2,400,000
Deferred Income	-	198,332,692
Other Current Liabilities	2,429,229,207	2,320,297
	2,434,029,207	203,052,989

NK Toll Road Limited

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

Note 2.9 Tangible Assets

₹

Particulars	Gross Block			Depreciation/Amortisation			Net Block	
	As at April 1, 2014	Additions	As at March 31, 2015	As at April 1, 2014	Additions during the period ^	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Buildings	1,019,100	-	1,019,100	142,310	38,170	180,480	838,620	876,790
Plant & Machinery	2,411,475	(20,397)	2,391,078	430,081	326,109	756,190	1,634,888	1,981,394
Furniture and Fixtures	434,646	16,800	451,446	205,550	113,907	319,457	131,989	229,096
Computer	2,654,907	651,801	3,306,708	1,972,194	488,069	2,460,263	846,445	682,713
Vehicles	89,000	-	89,000	61,849	13,539	75,388	13,612	27,151
A	6,609,128	648,204	7,257,332	2,811,984	979,794	3,791,778	3,465,554	3,797,144
Previous Year	6,591,128	18,000	6,609,128	2,248,436	563,548	2,811,984	3,797,144	4,342,692

Note 2.10 Intangible Assets

₹

The components of intangible assets are as under:

Particulars	Gross Block			Depreciation			Net Block	
	As at April 1, 2014	Additions	As at March 31, 2015	As at April 1, 2014	Additions during the period	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Toll Collection Rights***	3,512,512,671	-	3,512,512,671	280,134,553	96,806,564	376,941,117	3,135,571,554	3,232,378,118
B	3,512,512,671	-	3,512,512,671	280,134,553	96,806,564	376,941,117	3,135,571,554	3,232,378,118
Previous Year	3,512,512,671	-	3,512,512,671	210,556,391	69,578,162	280,134,553	3,232,378,118	3,301,956,280

Note 2.11 Intangible Assets under development

ETC for NKTR 3,232,930

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

** Intangible Assets are other than internally generated.

^ The useful life of fixed assets has been revised in accordance with the Schedule II of The Companies Act, 2013, which is applicable for accounting periods commencing on or after 1 April 2014. Consequently, a sum of Rs. 1.88 lacs being the carrying amount net of residual value of fixed assets where remaining useful life as at 1 April 2014 is Nil has been charged to Statement of Profit & Loss; in other cases, carrying amount has been depreciated / amortised over the remaining useful life of the assets and the effect on profit is not material.

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

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Note 2.12 Long Term Loans and Advances		
Security Deposits	1,507,973	1,263,583
Prepaid Expenses	253,072	301,467
	<u>1,761,045</u>	<u>1,565,050</u>
Note 2.13 Current Investments		
Lower of cost or market value		
Trade Investments		
Investments in Mutual Funds - Quoted		
Reliance Liquidity Fund - Daily Dividend Plan*	43,960,375	41,729,153
	<u>43,960,375</u>	<u>41,729,153</u>
* Details: -		
- Units - 39,865.719 (Prev. year 37453.796)		
- Face value Rs 1114.15/unit (Prev. year Rs 1114.15/unit)		
- Market value Rs.44416390.82 (Prev. year Rs.4,1729,146.81)		
- Lien marked with IDFC on a/c. of DSRA.		
Note 2.14 Cash and Cash Balances		
(A) Cash and Cash Equivalents -		
Balances with banks in -		
Current Account	6,133,703	5,308,086
Fixed Deposit Account**	44,500,000	20,000,000
Cash on Hand	1,132,303	2,521,516
	<u>51,766,006</u>	<u>27,829,602</u>
Sub-total (A)		
(B) Other Bank Balances -		
Deposit with original maturity of more than 3 months but less than 12 months**	25,000,000	-
Deposit with original maturity of more than 12 months**	60,000,000	-
	<u>85,000,000</u>	<u>-</u>
Sub-total (B)		
	<u>136,766,006</u>	<u>27,829,602</u>
Total		
	<u>136,766,006</u>	<u>27,829,602</u>
** incl. Rs. 10.25 cr. towards MMR requirement of lender.		
Note 2.15 Short Term Loans and Advances		
Advance to Vendors	1,082,679	1,082,679
Advance Income Tax (Net of Provision)	15,056,894	-
Advance recoverable in cash or in kind or for value to be received	704,442,730	487,250,487
Prepaid Expenses	-	410,326
Inter Corporate Deposits	1,981,000,000	2,049,000,000
	<u>2,701,582,303</u>	<u>2,537,743,492</u>
Note 2.16 Other Current Assets		
Interest Accrued on FDR	2,032,201	-
	<u>2,032,201</u>	<u>-</u>

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

	Year ended March 31, 2015 ₹	Year ended March 31, 2014 ₹
Note 2.17 Revenue from Operations		
Sale of services - Toll Collection	324,451,873	279,455,274
Income from Toll Operation	8,800,000	-
	333,251,873	279,455,274
Note 2.18 Other Income		
Dividend Income	2,231,222	2,217,249
Interest Received		
On Inter Corporate Deposits	250,876,980	266,157,732
On Others	6,955,264	10,356
Other Income	60,040	1,474,126
	260,123,506	269,859,463
Note 2.19 Finance Costs		
Interest expense	154,156,480	322,077,330
Other finance charges	138,425	147,296
	154,294,905	322,224,626
Note 2.20 Other Expenses		
Toll Operation & Maintenance Expenses	29,587,455	22,488,217
Electricity Expenses	3,347,370	3,404,951
Insurance	2,068,281	2,619,058
Travelling & Conveyance	574,622	-
Vehicle Hire Charges	546,194	-
Auditors' Remuneration		
- Audit Fees	350,000	350,000
- Certification Fees	75,000	70,000
Rent, Rates & Taxes	341,608	349,423
Legal and Professional Charges	8,299,555	10,150,450
Other Miscellaneous Expenses	929,122	1,249,341
Loss on Re-Acquisition of Contract	40,557,476	-
	86,676,683	40,681,440

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

2.21 Earning per Share

Particulars	₹	
	Year Ended March 31st, 2015	Year Ended March 31st, 2014
Basic / Diluted Earning Per Share:		
Profit after taxation as per Statement of Profit and Loss (A)	254,617,433	116,266,961
Weighted average number of Equity Shares Outstanding (B)	4,477,000	4,477,000
Basic/ Diluted Earning Per Share (in Rupees) (A)/(B)	56.87	25.97
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 **Relationship:**

Name of the holding company - Reliance Infrastructure Limited

The following transactions were carried out with the related parties in the ordinary course of business:

NATURE OF TRANSACTIONS:	₹	
	APRIL 2014 - MARCH 2015	APRIL 2013 - MARCH 2014
HOLDING COMPANY		
Expenses debited into Statement of Profit & Loss		
Toll Operation & Maintenance Expenses	6,786,466	6,662,229
Reimbursement of Other Expenses	-	134,491
OUTSTANDING AT THE YEAR END		
CREDIT		
Issue of Equity Share Capital	44,770,000	44,770,000
Trade Payables	175,060,805	-
Other Payables	2,425,000,000	-
Sub-Ordinate Debts	409,930,000	409,930,000

NK Toll Road Limited

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

Note 2.23 Segment Reporting

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

Note 2.24 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.

Note 2.25 During the year certain terms of the O&M arrangement have been further modified whereby the O&M contractor will no longer be entitled to the residual amount of the toll collection w.e.f. March 31, 2015 and the company has agreed to pay Rs. 247.50 Crore to the O&M contractor as against the unamortised income of Rs. 243.44 Crore, the differential amount of Rs.4.06 Crore has been expensed off.

Note 2.26 The company has filed arbitration claims against National Highways Authority of India (NHAI) amounting to Rs 52.61 cr. against various claims on account of loss in toll revenue due to delay in COD, cost escalations, delays in payment of Grant etc. Similarly EPC Contractors have raised claims against the company amounting to Rs 26.02 Cr.

Note 2.27 Previous year figures have been regrouped and re-arranged to comply with the requirement of revised Schedule VI.

As per our attached report of even date

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants
Firm Regn. No. 000038N

For and on behalf of the Board

C. V. Parameswar

Partner
Membership No. 11541
Place : Mumbai
Date:

Mayank Jain
Director

Place: Mumbai
Date:

Madan Biyani
Director