

**KIRATPUR NER CHOWK EXPRESSWAY  
LIMITED**

**FINANCIAL STATEMENT**

**2014-15**

# INDEPENDENT AUDITOR'S REPORT

To the members of KIRATPUR NER CHOWK EXPRESSWAY LIMITED

## Report on the Financial Statements

We have audited the accompanying financial statements of **KIRATPUR NER CHOWK EXPRESSWAY LIMITED**, ("the Company"), which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss, the 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

The Company's Board of Directors is 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 of 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; and 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

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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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 the 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.

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

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 and its loss and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. 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.
2. 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 purposes 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, Statement of Profit and Loss and Cash Flow Statement dealt with this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the 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 31st March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the 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:
    - a. The Company does not have any pending litigations which would impact its financial position.
    - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For GIANENDER & ASSOCIATES**

**Chartered Accountants**

Regn. No. 04661N

By the hand of



**Ramesh Koul**

Partner

M. No. 077804

Place : New Delhi

Date : 28.04.2015

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

**Re: KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

- i.
  - a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) Fixed assets have been physically verified by management at the end of the year which, in our opinion, is reasonable having regard to the size of the Company and nature of its asset and no serious discrepancies have been noticed on such verification.
- ii. There are no inventories as company is engaged in the business of infrastructure development and maintenance and hence Para 3 clauses (ii)(a),(ii)(b) and (ii)(c) of the Companies (Auditor's Report) Order 2015 relating to inventory are not applicable.
- iii. The Company has not granted secured / unsecured loans to parties covered in the register maintained under section 189 of the Act. Accordingly, sub-clause (a) and (b) are not applicable
- iv. In our opinion and according to the information and explanations given to us, the internal control procedures are generally adequate and commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls system.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, are not applicable to the Company.
- vi. According to the information and explanations given to us, we are of the opinion that prima facie, cost records prescribed, pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 of the Act, are made and maintained.
- vii.
  - a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is generally regular in depositing undisputed statutory dues relating to provident fund, income tax deducted at source, service tax, value added tax and other statutory dues during the year with the appropriate authorities. We are informed that the provisions of employees' sate insurance, wealth tax, duty of customs, duty of excise, cess are not applicable to the company. As per the records produced before us, there are no undisputed statutory dues which were outstanding as on 31<sup>st</sup> March 2015 for a period over six months from the date of same becoming payable.
  - b) According to the information and explanations given to us, there are no statutory dues pending in respect of income tax, sales tax, value added tax, service tax, duty of customs, wealth tax, duty of excise, cess on account of any dispute.
  - c) According to the information and explanations given to us, no amount is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder.
- viii. Since the Company has been registered for a period of less than five years, paragraph (viii) of the order of the Companies (Auditor's Report) Order 2015 is not applicable to the Company.



- ix. According to the information and explanations given to us the Company has not defaulted in repayment of dues to financial institutions or banks. The Company has not issued any debentures
- x. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. According to the information and explanations given to us the Company, the loans taken by the company were applied for the purpose for which the loans were obtained.
- xii. According to information and explanations given to us, which have been relied upon by us, no fraud on or by the Company has been noticed or reported during the year.

**For GIANENDER & ASSOCIATES**

**Chartered Accountants**

Regn. No. 04661N

By the hand of



**Ramesh Koul**

Partner

M. No. 077804

Place : New Delhi

Date : 28.04.2015

**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

**Balance Sheet as at March 31, 2015**

				₹	
Particulars	Note	As At March 31, 2015		As At March 31, 2014	
<b>I EQUITY AND LIABILITIES</b>					
<b>1 SHAREHOLDERS' FUNDS</b>					
(a) Share Capital	2	3,207,500,000		1,770,000,000	1,747,279,274
(b) Reserves and Surplus	3	(32,698,667)	3,174,801,333	(22,720,726)	
<b>2 NON-CURRENT LIABILITIES</b>					
(a) Long Term Borrowings	4	6,636,900,000		-	
(b) Other Long Term Liabilities	5	3,793,465		143,833,498	
		-	6,640,693,465	-	143,833,498
<b>3 CURRENT LIABILITIES</b>					
(a) Other Current Liabilities	6	534,545,211		3,541,372,944	
		-	534,545,211	-	3,541,372,944
<b>TOTAL</b>			<b>10,350,040,009</b>		<b>5,432,485,716</b>
<b>ASSETS</b>					
<b>1 NON CURRENT ASSETS</b>					
(a) Fixed Assets	7				
(i) Tangible Assets (Net)		876,297		1,603,038	
(ii) Intangible Assets under Development		7,747,943,097	7,748,819,394	4,357,325,321	4,358,928,359
(b) Long-term Loans and Advances (Net)	8	1,369,150,292		1,038,278,874	1,038,278,874
		-	1,369,150,292	-	
<b>2 CURRENT ASSETS</b>					
(a) Trade Receivables (Net)	9	2,960,376		-	
(b) Cash and Cash Equivalents	10	1,183,447,678		4,847,765	
(c) Short-term Loans and Advances	11	45,662,269		30,430,718	
		-	1,232,070,323	-	35,278,483
<b>TOTAL</b>			<b>10,350,040,009</b>		<b>5,432,485,716</b>

Note 1 to 19 forms part of the financial statements.

In terms of our report attached.  
**For Gianender & Associates**  
 Chartered Accountants  
 Firm Registration no. 004661N

  
**Ramesh Koul**  
**Partner**  
 Membership Number : 077804  
 Place: Mumbai  
 Date: April 28 2015



**For and on behalf of the Board**

  
**Managing Director**

  
**Director**

  
**Chief Financial Officer**  
 Place: Mumbai  
 Date: April 28, 2015

# KIRATPUR NER CHOWK EXPRESSWAY LIMITED

## Statement of Profit and Loss for the Year Ended March 31, 2015

		₹		
	Particulars	Note	For the year ended March 31, 2015	For the year ended March 31, 2014
I	Revenue from operations		-	-
II	Other income	12	18,000	9,000
III	<b>Total revenue (I + II)</b>		<b>18,000</b>	<b>9,000</b>
IV	Expenses			
	Administrative and general expenses	13	9,995,941	18,024,352
	<b>Total expenses (IV)</b>		<b>9,995,941</b>	<b>18,024,352</b>
V	<b>Profit / (Loss) before taxation (III-IV)</b>		<b>(9,977,941)</b>	<b>(18,015,352)</b>
VI	Tax expense:			
	(1) Current tax		-	-
	Total tax expense (VI)		-	-
VII	<b>Profit / (Loss) before consolidation adjustments (V-VI)</b>		<b>(9,977,941)</b>	<b>(18,015,352)</b>
VIII	Share of profit transferred to minority interest (net)		-	-
IX	Share of profit / (loss) of associates (net)		-	-
	<b>Profit / (Loss) for the period (VII+VIII+IX)</b>		<b>(9,977,941)</b>	<b>(18,015,352)</b>
	Earnings per equity share (Face value per share Rupees 10/-):	14		
	(1) Basic		(0.03)	(0.31)
	(2) Diluted		(0.03)	(0.29)

Note 1 to 19 forms part of the financial statements.

In terms of our report attached.

**For Gianender & Associates**

Chartered Accountants

Firm Registration no. 004661N

  
Ramesh Koul

**Partner**

Membership Number : 077804



Place: Mumbai

Date: April 28, 2015

**For and on behalf of the Board**

  
Managing Director

  
Director

  
Chief Financial Officer

Place: Mumbai

Date: April 28, 2015

**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

**Cash Flow Statement** for the Year Ended March 31, 2015

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Cash Flow from Operating Activities</b>		
<b>Profit Before Taxes, Minority Interest and Share of Associates</b>	(9,977,941)	(18,015,352)
<b>Adjustments for :-</b>		
Interest Income	(18,000)	(9,000)
<b>Operating profit before Working Capital Changes</b>	(9,995,941)	(18,024,352)
<b>Adjustments changes in working capital:</b>		
(Decrease) / Increase in other assets & loans and advances (current and non current)		
Increase in liabilities (current and non current)		
<b>Cash Generated from Operations</b>	(9,995,941)	(18,024,352)
Direct Taxes paid (Net)	(2,975,886)	(1,800)
<b>Net Cash generated from Operating Activities (A)</b>	(12,971,827)	(18,026,152)
<b>Cash flow from Investing Activities</b>		
Payment for Intangible Assets	(3,389,891,035)	(3,036,144,178)
(Decrease) / Increase in other assets & loans and advances (current and non current)	(346,087,459)	(1,068,690,902)
Increase in liabilities (current and non current)	(3,146,867,766)	2,640,419,144
Payment for fixed assets	-	(1,217,717)
Interest received	18,000	9,000
<b>Net Cash used in Investing Activities (B)</b>	(6,882,828,260)	(1,465,624,653)
<b>Cash flow from Financing Activities</b>		
(Decrease)/ Increase in share capital	1,437,500,000	1,485,000,000
Proceeds from borrowings	6,636,900,000	-
<b>Net Cash generated from Financing Activities (C)</b>	8,074,400,000	1,485,000,000
<b>Net Decrease in Cash and Cash Equivalents (A+B+C)</b>	1,178,599,913	1,349,195
Cash and Cash Equivalent at the beginning of the year / period	4,847,765	3,498,570
Cash and Cash Equivalent at the end of the year / period	1,183,447,678	4,847,765
<b>Net Decrease in Cash and Cash Equivalents</b>	1,178,599,913	1,349,195
<b>Components of Cash and Cash Equivalents</b>		
Cash on Hand	6,423	6,941
Balances with Banks in current accounts	383,241,255	4,640,824
Balances with Banks in deposit accounts	800,200,000	200,000
	1,183,447,678	4,847,765
Unpaid Dividend Accounts	-	-
Bank balances held as margin money or else security against borrowings	-	-
Cash and Cash Equivalents as per Balance Sheet	1,183,447,678	4,847,765


Note 1 to 19 forms part of the financial statements.


In terms of our report attached.  
**For Gianender & Associates**  
 Chartered Accountants  
 Firm Registration no. 004661N

  
 Ramesh Koul  
**Partner**  
 Membership Number : 077804  
 Place: Mumbai  
 Date: April 28, 2015



For and on behalf of the Board

  
 Managing Director

  
 Director

  
 Chief Financial Officer

Place: Mumbai  
 Date: April 28, 2015



# Kiratpur Ner Chowk Expressway Limited

Notes forming parts of the Financial Statements for the year ended March 31, 2015

## Note 1 – SIGNIFICANT ACCOUNTING POLICIES

### 1. Background

Kiratpur Ner Chowk Expressway Limited ("KNCEL") a Special Purpose Vehicle ("SPV") promoted by IL&FS Transportation Networks Limited (ITNL), has been awarded the project involving development and operation involving 4-laning of the Kiratpur - Ner - Chowk section of NH-21, under a design, build, finance, operate & transfer ("DBFOT") basis (the "Project") was signed on March 16, 2012 and the concession period of the Project is 28years from the appointed date.

### 2. Basis of preparation of Financial Statements

The financial statement is prepared in accordance with the Generally Accepted Accounting Principles in India, Accounting Standards as per section 133 of the companies act 2013 read with rule 7 of companies (accounts) rules 2014. All income and expenditure having a material bearing on the financial statements are recognised on an accrual basis.

### 3. Use of estimates

The preparation of financial statements in conformity with IGAAP requires the Management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosures of an item or information in the financial statements have been made relying on these estimates to a greater extent.

### 4. Fixed Assets and Depreciation

#### a. Tangible fixed assets and depreciation

Tangible fixed assets acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses, such as delivery and handling costs, installation, legal services and consultancy services, directly attributable to bringing the asset to the site and in working condition for its intended use.

Where the construction or development of any asset requiring a substantial period of time to set up for its intended use is funded by borrowings, the corresponding borrowing costs are capitalised up to the date when the asset is ready for its intended use.

#### b. Depreciation on tangible fixed assets is computed as under:

As per notification dated, March 26, 2014 issued by the Ministry of Corporate Affairs, Schedule II of the Companies Act 2013 comes into effect from April 1, 2014 which prescribes the useful life of depreciable assets. The Company has adopted the useful life prescribed under the Schedule II of the Companies Act 2013. Also, with effect from April 1, 2014 the Company has decided to change the policy retrospectively for charging depreciation on the basis of Straight Line Method in place of Written Down Method other than those specified otherwise. Accordingly the Company has reinstated its policy for charging depreciation with effect from April 1, 2014 which is as below:



## Kiratpur Ner Chowk Expressway Limited

- (i) Assets purchased on or after April 1, 2014 are depreciated on Straight Line Method, over the useful life of assets as prescribed under Schedule II of the Companies Act 2013 other than assets specified in para (ii) below
  - (ii) Following assets are depreciated over a useful life which is shorter than the life prescribed under Schedule II of the Companies Act 2013 based on the Management's estimate
  - (iii) Data Processing Equipment – Server and Networking equipment are depreciated over a period of 4 years
  - (iv) Mobile Phones and Ipad / Tablets are fully depreciated in the year of purchase
  - (v) Specialised office equipment's are depreciated on Straight Line Method over a period of three years
  - (vi) Cars purchased by the company for employees, are depreciated over a period of five years
  - (vii) Assets provided to employees are depreciated over a period of three years
  - (viii) Leasehold improvement costs are capitalised and amortised over the period of lease agreement
  - (ix) All categories of assets costing less than Rs. 5,000 each are fully depreciated in the year of purchase.
  - (x) The residual value of all the assets is retained at Rs. 1/- each
- c. An intangible asset is recognised when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.
- d. Carriageway representing toll collection rights are obtained in consideration for rendering construction, operation and maintenance services in relation to building and maintenance of the project on Build, Operate and Transfer basis. The cost of such carriageway comprises of construction cost and other pre-operative costs incurred during the construction phase.
- e. Administrative and other general overhead expenses net of income from temporary investments, incurred upto the date of commencement of commercial operations that are specifically attributable to the construction / acquisition / development of the Intangible assets is allocated and capitalised as part of cost of the asset. Other expenses have been written off in the year of incurrence of such expenditure.
- f. Tangible fixed assets are stated at original cost net of tax / duty credits availed if any, less accumulated depreciation, accumulated amortization and cumulative impairment. Administrative and other general overheads that are specifically attributable to the construction/ acquisition / development of fixed assets or bringing the fixed asset to working condition are allocated and capitalised as a part of cost of fixed asset.

### 5. Impairment of Assets

The carrying values of assets of the Company's cash-generating unit are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the



## Kiratpur Ner Chowk Expressway Limited

estimated future cash flows to their present value based on appropriate discount factor.

### 6. Borrowing Cost

Borrowing costs incurred in respect of borrowings made towards construction of the Project assets are treated as a part of Intangible Assets under Development for subsequent capitalization as on commencement of commercial operations of the road. Borrowing costs incurred subsequent to the capitalisation date are charged to the Statement of Profit and Loss. In accordance of Accounting Standard – 16 “Borrowing Costs”, income earned on investment (short term) of funds intermittently surplus but inextricably linked with the project is set off against related borrowing cost.

### 7. Taxes on Income

Taxes include taxes on the Company's taxable profits, adjustment attributable to earlier periods and changes in deferred taxes. Valuation of all tax liabilities / receivables is conducted at nominal amounts and in accordance with enacted tax regulations and tax rates or in the case of deferred taxes those that have been substantially enacted.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences, which occur as a result of items being allowed for income tax purposes during a period different from when they were recognised in the financial statements.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

### 8. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement. A contingent asset is neither recognised nor disclosed.

### 9. Revenue Recognition

Fee collections from the users of the facility are accounted as and when it becomes due and the recovery is certain.

Interest income is accrued at applicable interest rates on time proportionate basis



# Kiratpur Ner Chowk Expressway Limited

## 10. Earnings per Share

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares in issue during the year.

Diluted earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the company by the weighted number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.

## 11. Cash and Cash Equivalents

Cash and bank balances, and current investments that have insignificant risk of change in value, which have duration of up to three months, are included in the Company's cash and cash equivalents in the Cash Flow Statement.

## 12. Cash Flow Statements

The Cash Flow Statement is prepared in accordance with "indirect method" as prescribed in the Accounting Standard (AS) 3 on "Cash Flow Statements".

## 13. Preliminary Expenditure

Preliminary expenses incurred on incorporation of the Company are written off in the period during which it was incurred.

## 14. Current/Non-Current Assets and Liabilities:

Assets are classified as current when it satisfies any of following criteria:

- It is expected to be realized within twelve months after the reporting date,
- It is held primarily for the purpose of being traded,
- It is Cash or cash equivalent unless it restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as Non-current.

Liabilities are classified as current when it satisfies any of following criteria:

- It is expected to be settled within twelve months after the reporting date,
- It is held primarily for the purpose of being traded,
- The company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as Non-current.



## KIRATPUR NER CHOWK EXPRESSWAY LIMITED

**Notes** forming part of the financial statements for the year ended March 31, 2015

### Note 2: Share Capital

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	₹	Number	₹
<b>Authorised</b>				
Equity Shares of Rupees 10/- each	501,000,000	5,010,000,000	250,000,000	2,500,000,000
<b>Issued</b>				
Equity Shares of Rupees 10/- each	320,750,000	3,207,500,000	177,000,000	1,770,000,000
<b>Subscribed and Paid up</b>				
Equity Shares of Rupees 10/- each fully paid (refer foot note no. i, ii, and iii)	320,750,000	3,207,500,000	177,000,000	1,770,000,000
<b>Total</b>	<b>320,750,000</b>	<b>3,207,500,000</b>	<b>177,000,000</b>	<b>1,770,000,000</b>

#### Foot Notes:

i. Of the above 320,750,000 shares are held by the holding Company and its nominees (As at March 31, 2014 : 177,000,000).

ii. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2015		As at March 31, 2014	
	Equity Shares		Equity Shares	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year / period	177,000,000	1,770,000,000	28,500,000	285,000,000
Shares issued during the year / period	143,750,000	1,437,500,000	148,500,000	1,485,000,000
Shares bought back during the year / period			-	-
Shares outstanding at the end of the year / period	<b>320,750,000</b>	<b>3,207,500,000</b>	<b>177,000,000</b>	<b>1,770,000,000</b>

iii. Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited (the Holding Company and its nominees)	320,750,000	100.00%	177,000,000	100.00%
<b>Total</b>	<b>320,750,000</b>	<b>100.00%</b>	<b>177,000,000</b>	<b>100.00%</b>

iv. Terms / Rights attached to Equity Shares:

The company has only one class of equity share, each shareholder is entitled to one vote per share.

### Note 3: Reserves and surplus

Particulars	As at March 31, 2015		As at March 31, 2014	
<b>(a) Profit / (Loss) Surplus</b>				
Opening balance	(22,720,726)		(4,705,374)	
(+) Profit for the year	(9,977,941)	(32,698,667)	(18,015,352)	(22,720,726)
<b>Total</b>		<b>(32,698,667)</b>		<b>(22,720,726)</b>



# KIRATPUR NER CHOWK EXPRESSWAY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

## Note 4: Long-term borrowings

Particulars	As at March 31, 2015		As at March 31, 2014	
<b>(a) Term Loans</b>				
<b>(i) Secured</b>				
From banks	6,114,400,000		-	
From financial institutions	-		-	
From related party	-		-	
From others	-	6,114,400,000	-	-
<b>(ii) Unsecured</b>				
From banks	-		-	
From financial institutions	-		-	
From related party	522,500,000		-	
From others	-	522,500,000	-	-
<b>Total</b>		<b>6,636,900,000</b>		-

### Foot Notes:

#### 1. Secured By:

- First charge on all the accounts of the Company, including the Escrow Account, only to the extent permitted under the concession agreement.
- Assignment of all the rights and interest of the Company to or in favour of the Senior Lenders to the extent covered by and in accordance with Substitution Agreement.
- Assignment of all rights of the Company under any guarantees that may be provided by any counter-party under any contract / agreement / document relating to the project, to the extent permissible under concession agreement.

#### 2. Terms of Repayment:

- The Borrower shall repay the term loans to each of the senior lenders in 54 unequal quarterly installments commencing on quarter ending June 30, 2019 and terminating on September 30, 2032 and to promoters in 7 unequal quarterly installments commencing on quarter ending December 31, 2030 and terminating on June 30, 2032, as per the Repayment schedule, as set out in Footnote (a).
- Amounts repaid by the Company shall not be re-borrowed.
- Any senior lenders may, in suitable circumstances, at the request of the Company and subject to consent of the other senior lenders revise or vary the repayment schedule or postpone the payment of any specific repayment installment(s) or part thereof, upon such terms and conditions shall form a part of this agreement as an amendment to repayment schedule hereto.
- If for any reason the amount finally disbursed by the senior lenders is less than the total commitments, the repayment installments shall stand reduced proportionately but shall be paid on the repayment dates as set out in the repayment schedule.
- In the event of any default in the payment of the repayment installments of principal, interest and default interest, postponement, if any, allowed by any of the senior lenders shall be at the rate of interest as may be stipulated by the concerned senior lenders at the time of postponement.

#### (a). Repayment Schedule:

Total Loans Commitment is Rs. 1,4748,600,000/- from Banks and Rs.1,807,600,000/- from Promoters.

Loans Disbursed till September 30, 2014 is Rs. 1,786,500,000/- from Banks and Rs.522,500,000/- from holding company.

Senior Debt : In 54 unequal quarterly installments commencing on quarter ending June 30, 2019 and terminating on September 30, 2032

Sub Debt : In 7 unequal quarterly installments commencing on quarter ending December 31, 2030 and terminating on June 30, 2032

Financial Year	Repayment (% of Senior Debt)	Amount of Debt Repayment	Amount of Sub Debt Repayment
2018-2019	0.04	5,899,440	-
2019-2020	0.04	5,899,440	-
2020-2021	0.40	58,994,400	-
2021-2022	1.00	147,486,000	-
2022-2023	2.00	294,972,000	-
2023-2024	2.00	294,972,000	-
2024-2025	5.00	737,430,000	-
2025-2026	7.00	1,032,402,000	-
2026-2027	9.00	1,327,374,000	-
2027-2028	12.00	1,769,832,000	-
2028-2029	17.00	2,507,262,000	-
2029-2030	17.00	2,507,262,000	-
2030-2031	18.00	2,654,748,000	271,200,000
2031-2032	9.52	1,404,066,720	1,355,600,000
2032-2033	-	-	180,800,000
<b>Total</b>	<b>100.00</b>	<b>14,748,600,000</b>	<b>1,626,800,000</b>



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED****Notes** forming part of the financial statements for the year ended March 31, 2015**Note 5: Other long term liabilities**

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Trade Payables				
Related parties	-	-	-	-
Others				
(b) Others				
(i) Other long term liabilities				
From related parties	3,236,497		143,833,498	
From others	556,968	3,793,465		143,833,498
<b>Total</b>		<b>3,793,465</b>		<b>143,833,498</b>

**Note 6: Other current liabilities**

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Interest accrued but not due on borrowings				
From related parties	41,760,213			
From others		41,760,213		
(b) Interest accrued and due on borrowings				
From related parties				
From others	100,027	100,027		
(c) Statutory dues		34,216,310		42,203,484
(d) Other Creditors				
From related parties	452,903,755		3,497,269,178	
From others	5,564,906	458,468,661	1,900,282	3,499,169,460
<b>Total</b>		<b>534,545,211</b>		<b>3,541,372,944</b>



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

Notes forming part of the financial statements for the year ended March 31, 2015

**Note 7: Fixed assets**

Particulars	Gross block			Accumulated depreciation			Net block				
	Balance as at April 1, 2014	Opening adjustments	Additions	Disposals	Balance as at March 31, 2015	Balance as at April 1, 2014	Opening adjustments	Depreciation charge for the period	On disposals	Balance as at March 31, 2015	Balance as at March 31, 2014
<b>a) Tangible assets</b>											
Data processing equipments	1,231,215	-	-	-	1,231,215	280,259	-	455,833	-	485,123	950,956
Office equipments	491,302	-	-	-	491,302	49,683	-	78,143	-	363,466	441,609
Furniture and fixtures	239,355	-	-	-	239,355	28,882	-	192,765	-	17,708	210,473
<b>Total</b>	<b>1,961,872</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,961,872</b>	<b>358,834</b>	<b>-</b>	<b>726,741</b>	<b>-</b>	<b>876,297</b>	<b>1,603,038</b>
<b>b) Intangible assets</b>											
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>1,961,872</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,961,872</b>	<b>358,834</b>	<b>-</b>	<b>726,741</b>	<b>-</b>	<b>876,297</b>	<b>1,603,038</b>
<b>c) Capital work-in-progress</b>											
Intangible Assets Under Development	4,357,325,321	-	3,390,617,776	-	7,747,943,097	-	-	-	-	7,747,943,097	4,357,325,321
Previous year	1,321,570,224	-	3,445,715,620	-	4,767,285,844	-	-	355,074	-	4,766,297,910	1,321,566,464





# KIRATPUR NER CHOWK EXPRESSWAY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

## Note 12: Other Income

₹

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
(a) Interest Income				
	Interest on bank deposits	18,000	9,000	9,000
Interest on advance towards property		18,000		
		<b>18,000</b>		<b>9,000</b>



## KIRATPUR NER CHOWK EXPRESSWAY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

### Note 13: Administrative and General Expenses

₹

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
Legal and consultation fees	472,559		623,638	
Travelling and conveyance	8,536		521,348	
Rates and taxes	80,924		26,729	
Bank commission	112,409		85,142	
Registration expenses	7,861,610		15,485,000	
Insurance	-		180	
Directors' fees	503,372		527,304	
Auditors' Remuneration	942,140		726,408	
Miscellaneous expenses	14,391	9,995,941	28,603	18,024,352
		<b>9,995,941</b>		<b>18,024,352</b>



## KIRATPUR NER CHOWK EXPRESSWAY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

### Note 8: Long-term Loans and Advances

Particulars	As at March 31, 2015		As at March 31, 2014	
<b>(a) Capital Advances</b>				
Secured, considered good				
To related parties	-	-	-	-
To others	-	-	-	-
Unsecured, considered good				
To related parties	1,300,861,844		994,362,500	
To others	-	1,300,861,844	-	994,362,500
<b>(b) Security Deposits</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	1,000	1,000	1,000	1,000
<b>(c) Other loans and advances</b>				
Unsecured, considered good				
- Mobilisation & pre-construction advance recoverable	14,994,394		-	
- MAT credit entitlement	-		-	
- Advance payment of taxes (net of provision)	2,993,576		17,690	
- Prepaid expenses	50,299,478		43,646,673	
- Long term loans - others	-		-	
- Receivable from NHAI	-	68,287,448	251,011	43,915,374
<b>Total</b>		<b>1,369,150,292</b>		<b>1,038,278,874</b>

### Note 9: Short-term Loans and Advances

Particulars	As at March 31, 2015		As at March 31, 2014	
<b>(a) Other loans and advances</b>				
Unsecured, considered good				
- Prepaid expenses	45,662,269		30,430,718	
- Other loans and advances	-	45,662,269	-	30,430,718
<b>Total</b>		<b>45,662,269</b>		<b>30,430,718</b>



## KIRATPUR NER CHOWK EXPRESSWAY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

### Note 10: Trade Receivables

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Trade receivables outstanding for a period less than six months				
Secured, considered good				
- Related party	-		-	
- Others	-		-	
Unsecured, considered good				
- Related party	-		-	
- Others	2,960,376		-	
<b>Other considered doubtful</b>				
Less: Provision for doubtful debt	-	2,960,376	-	-
<b>Total</b>		<b>2,960,376</b>		<b>-</b>

### Note 11: Cash and Cash Equivalents

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Cash and cash equivalents				
Cash on hand	6,423		6,941	
Balances with Banks in current accounts	383,241,255		4,640,824	
Balances with Banks in deposit accounts (Maturity period less than 3 months)	800,200,000	1,183,447,678	200,000	4,847,765
<b>Total</b>		<b>1,183,447,678</b>		<b>4,847,765</b>



# KIRATPUR NER CHOWK EXPRESSWAY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

## Note 14: Earnings per equity share

Particulars	Unit	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Profit after tax	₹	(9,977,941)	(18,015,352)
Premium on preference shares	₹		
Tax on premium on preference shares	₹		
Profit available for Equity Shareholders	₹	(9,977,941)	(18,015,352)
Weighted number of Equity Shares outstanding	Numbers	297,232,877	58,516,985
Nominal Value of equity shares	₹	10	10
Basic Earnings per share	₹	(0.03)	(0.31)
Equity shares used to compute diluted earnings per share	Numbers	297,232,877	61,229,314
Diluted Earnings per share	₹	(0.03)	(0.29)

## Note 15: Related Party Statement

### Current Year

#### a Name of related parties and description of relationship

Nature of Relationship	Name of Entity	Acronym used
Holding Company :	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries (with whom the company had transactions during the year)	Elsamex Maintenance Services Ltd.	Elsamex
	IL&FS Securities Services Limited	ISSL
	IL&FS Trust Company Limited	ITCL
	IL&FS Financial Services Limited	IFIN
Associates :	NIL	NIL
Enterprise having significant	NIL	NIL
Co - Venture :	NIL	NIL
Key Management personnel :	Nishant Srivastava	Managing Director
	Chetan Panchal	Chief Financial Officer

#### b Transactions / Balances with related parties as mentioned ( a) above

Account head	Name of Entity	As At March 31, 2015	As At March 31, 2014
<b>Balances:</b>			
Share Capital	ITNL	3,207,500,000	1,770,000,000
Other Creditors	ITNL	374,775,876	3,497,269,178
Interest Payable	ITNL	41,760,213	-
Other Creditors	Elsamex	1,513,596	-
Other Creditors	IFIN	76,599,114	-
Mobilisation Advance	ITNL	1,300,861,844	994,362,500
Other Creditors	ISSL	15,169	-
Other Creditors (Retention)	ITNL	-	143,833,498
Other Creditors (Retention)	Elsamex	3,236,497	-
Gaurantee Given ( refer Note 1 Below)	ITNL	909,300,000	909,300,000
Deposit Given	ITCL	1,000	1,000

Transactions:		For the year ended March 31, 2015	For the year ended March 31, 2014
Share Capital	ITNL	1,437,500,000	1,770,000,000
Construction Cost	ITNL	2,273,247,568	3,497,269,178
Project Development Fees	ITNL	602,248,000	-
Mobilisation Advance	ITNL	433,872,449	994,362,500
Mobilisation Advance Recovery	ITNL	127,373,105	-
Interest on Loan	ITNL	46,400,240	-
O& M Cost	Elsamex	64,729,926	-
OPE	IFIN	212,518	114,023,327
Syndication Fees	IFIN	85,104,835	-
Documentaion Charges	ITCL	224,720	-
Security Trustee Fees paid	ITCL	224,720	224,720
Professional Fee	ISSL	34,308	22,972
Director Sitting Fees	Ravi Sreehari	-	20,000
Director Sitting Fees	Shivali Parekh	10,000	-
Director Sitting Fees	Kirshana Ghag	60,000	70,000
Director Sitting Fees	Ashutosh Chandwar	80,000	80,000
Director Sitting Fees	Ajay Menon	80,000	80,000
Director Sitting Fees	Nishant Shrivastava	40,000	40,000
Deposit amount paid	ITCL	-	1,000

### Note 1 : Gaurantee Given

Nature of Gaurantee	Gaurantee in favour of	As At March 31, 2015	As at March 31, 2014
Performance Gaurantee	National Highway Authority of India	909,300,000	909,300,000
<b>Total</b>		<b>909,300,000</b>	<b>909,300,000</b>



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

Notes forming part of the financial statements for the year ended March 31, 2015

**Note 16: Contingent liabilities and capital commitments**

**A) Contingent liabilities :**

Particulars			As at	As at
Sr. No.	Name of party	Description	March 31, 2015	March 31, 2014
1	NIL	Guarantees issued on behalf of Group Companies	NIL	NIL
2	NIL	Guarantees issued on behalf of other than Group Companies	NIL	NIL
3	NIL	Guarantees / counter guarantees issued in respect of borrowing facilities of foreign subsidiary companies	NIL	NIL
4	NIL	Claims against the Group not acknowledged as debt	NIL	NIL
5	NIL	Income tax demands contested by the Company	NIL	NIL
6	NIL	Other tax demands contested by the Company	NIL	NIL
		- Service tax		
		- VAT		
		- Others		
7	NIL	Others	NIL	NIL
8				

**B) Financial commitments pending to be executed :**

Particulars			As at	As at
Sr. No.	Name of party	Description	March 31, 2015	March 31, 2014
1	IL&FS Trust Company Limited	Security Trusteeship Fees	3,000,000	3,200,000
2				

**C) Other commitments pending to be executed :**

Particulars			As at	As at
Sr. No.	Name of party	Description	March 31, 2015	March 31, 2014
1	IL&FS Transportation Networks Limited	Project Development Fees	NIL	NIL
2	IL&FS Transportation Networks Limited	Construction Cost	NIL	NIL
2	IL&FS Financial Services Limited	Advisory Fees	NIL	NIL
3	IL&FS Financial Services Limited	Debt Syndication Fees	NIL	NIL

**D) Estimated amount of contracts remaining to be executed on capital and other account :**

Particulars			As at	As at
Sr. No.	Name of party	Description	March 31, 2015	March 31, 2014
1	IL&FS Transportation Networks Limited	Estimated amount of contracts to be executed on capital account and not provided for (net of capital advances of Rs. 1,300,861,844/-)	14,356,502,939	18,940,589,190

**E) Disclose the amount paid/Payable to Auditors :**

Particulars			As at	As at
Sr. No.	Name of Auditors	Description	March 31, 2015	March 31, 2014
1	Ray & Ray	Other Services	NIL	27,575
2	Ray & Ray	Certification Matter	NIL	11,030
3	Ray & Ray	Other Services	NIL	55,150
1	Gianender & Associates	Audit Fees	224,720	430,339
2	Gianender & Associates	Other Services	692,700	286,518
3	Gianender & Associates	OPE	24,720	9,551



## KIRATPUR NER CHOWK EXPRESSWAY LIMITED

**Notes** forming part of the financial statements for the year ended March 31, 2015

### Note 17: Segment Information

As the Company operates in a single business as well as geographical segment, the disclosures required under the Accounting Standard on "Segment Reporting" (AS - 17) notified under the Companies Accounting Standards Rules, 2006 are not applicable.

### Note 18: Impact of change in Accounting Policy

(a) Result of the change in method of charging depreciation

Particulars	For the year ended March 31, 2015
The charge on account of Depreciation for the year is lower by / (higher by) than the amount that would correspond to the method of depreciation previously used and useful lives previously assessed	34,495
Carrying amount of assets with revised useful life as Nil, has been charged to Surplus in the Statement of Profit & Loss as at April 1, 2014	-
Carrying amount of assets with revised useful life as Nil, has been credited to capital work in progress	-

### Note 19: Previous Year Figures

Figures for the previous year / period have been regrouped, reclassified where necessary, to conform to the classification of the current year/period.

In terms of our report attached.  
**For Gianender & Associates**  
Chartered Accountants  
Firm Registration no. 004661N

  
Ramesh Koul

**Partner**  
Membership Number : 077804  
Place: Mumbai  
Date: April 24, 2015



For and on behalf of the Board

  
**Managing Director**

  
**Chief Financial Officer**  
Place: Mumbai  
Date: April 28, 2015

  
**Director**