

KIRATPUR NER CHOWK EXPRESSWAY LIMITED

ANNUAL REPORT

2012-13

DIRECTORS' REPORT

The Shareholders

KIRATPUR NER CHOWK EXPRESSWAY LIMITED

Your Directors have pleasure in presenting the First Annual Report along with the Audited Statements of Accounts for the first financial period ended March 31, 2013

FINANCIAL RESULTS

The financial results of the Company are as under:

(Amount in ₹.)

	For the period ended March 31, 2013
Total Income	-
Total Expenses	4,705,374
Profit/(Loss) Before Tax	(4,705,374)
<u>Less: Provision for Tax</u>	-
Profit / (Loss) After Tax	(4,705,374)
Balance carried forward	(4,705,374)

OPERATIONS:

Your Company has undertaken the work for construction of the Four laning of Kiratpur-Ner Chowk section of National Highway No. 21 from km 73.200 to km.186.500 (approximately 84.38 km) in the state of Himachal Pradesh awarded by the National Highways Authority of India to be executed as BOT (Toll) on design, build, finance, operate and transfer (“**DBFOT**”) basis (“**the Project**”). The Company has achieved the Environmental for complete project stretch and Forest Clearance is pending with Ministry of Environment and Forest as of March 31, 2013

FURTHER ISSUE OF CAPITAL:

In order to meet the funds requirement of the Company for development of the Project, the Company had increased its Authorised Share Capital from ₹5,00,000/- to ₹50,00,00,000/-. The Company had thereafter issued 4,99,50,000 equity shares of ₹10/- each of par value to the existing shareholders of the Company. As a consequence, the paid up equity capital of the Company increased from ₹5,00,000/- to ₹28,50,00,000/- during the year under review

DIVIDEND:

Due to inadequacy of profits, your Directors have not recommended any dividend for the period under review

DIRECTORS:

Mr. Ravi Sreehari, Mr. Krishna Ghag and Mr. Ajay Menon were appointed as the First Directors of the Company, as per the Articles of Association of the Company. During the year under review, Mr. Ashutosh Chandwar and Dr. Nishant Srivastava were appointed as an Additional

Directors on the Board of the Company with effect from October 17, 2012. Dr Nishnat Srivastava was designated as Managing Director of the Company w.e.f. April 17, 2013

During the year under review, Mr. Ravi Sreehari, Director of the Company had resigned effective April 17, 2013. The Directors placed on record their sincere appreciation for the valuable guidance and support rendered by him

AUDITORS:

During the year, M/s. Ray & Ray, Chartered Accountants, were appointed as first Auditors of the Company. M/s. Ray & Ray, Chartered Accountants, had therefore resigned as a Statutory Auditors of the Company. In the view of the foregoing, M/s. Gianender & Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company at the Extra-ordinary General Meeting (EGM) held on December 24, 2012 for the financial year 2012-2013

M/s. Gianender & Associates, Chartered Accountants, Statutory Auditors, retire at the ensuing Annual General Meeting and have expressed their willingness to continue as Statutory Auditors, if re-appointed

DEPOSITS:

Your Company has not accepted any Fixed Deposits during the period under review

CORPORATE GOVERNANCE:

Two Board Meetings were held during the period under review on April 18, 2012, July 18, 2012, October 17, 2012 and January 17, 2013. The numbers of meetings attended by the Directors are as under:

Sr. No.	Name of Directors	No. of Board Meetings held during tenure	Meetings attended
1	Mr. Krishna Ghag	4	4
2	Mr. Ravi Sreehari (resigned w.e.f April 17, 2013)	4	3
3	Mr. Ajay Menon	4	4
4	Mr. Ashutosh Chandwar (from October 17, 2012)	1	1
5	Dr. Nishant Srivastava (from October 17, 2012)	1	0

The Audit Committee was constituted pursuant to the provisions of the Section 292A of the Companies Act, 1956. The Audit Committee is comprised of Mr. Ravi Sreehari, Mr. Ajay Menon and Mr Ashutosh Chandwar. Subsequently upon resignation of Mr Ravi Sreehari, the Audit Committee has been re-constituted by inducting Mr Krishna Ghag as Member of Audit Committee in his place. The Audit Committee met one time during the year under review on January 17, 2013

PARTICULARS OF EMPLOYEES:

There was no employee in respect of whom the statement is required to be prepared pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 (“the Act”) the Directors based on the representations received from the Operating Management, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss of the Company for that period;
- (c) they have taken proper and sufficient care for the 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 fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis

FOREIGN EXCHANGE EARNINGS AND OUTGO:

There was no earning or outgo of foreign exchange during the period under review. Since your Company does not have any manufacturing facility, the other particulars in the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable

ACKNOWLEDGMENTS:

The Directors place on record their appreciation for the continued support and co-operation received from various Government Authorities and other Regulatory Authorities, Banks, Financial Institutions and Shareholders of the Company

For and on behalf of the Board

SD/-
(Director)

SD/-
(Director)

Date : April 17, 2013
Place : Mumbai

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 March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

OPINION:

In our opinion and to the best of our information and according to the explanations given to us, the 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:



- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the loss for the period ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Gianender & Associates

Chartered Accountants

FRN: 004661N



Ramesh Koul

Partner

Membership No. :077804

Place:

Date: 17/4/13

**ANNEXURE REFERRED TO IN PARAGRAPH 4 OF THE AUDITOR'S REPORT TO THE MEMBERS OF
KIRATPUR NER CHOWK EXPRESSWAY LIMITED ON THE ACCOUNTS FOR THE PERIOD ENDED
MARCH 31st, 2013.**

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management during the period and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of the fixed assets is reasonable.
- (c) Company has not disposed of any of its fixed assets during the period, going concern assumption is appropriate.
- (ii) As the Company does not have any inventory, clauses (ii)(a) to (ii)(c) of paragraph 4 of the Order are not applicable.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 (the Act). Accordingly, clauses (iii) (a) to (iii) (g) of paragraph 4 of the Order are not applicable to the Company for the current period.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. The activities of the company during the period under audit, do not involve purchase of inventory and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) According to the information and explanations given to us, the particulars of contracts required to be entered in the register maintained under section 301 of the Act have been so entered where ever applicable.
- (b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) As the Company has not accepted any deposits from the public, paragraph 4(vi) of the Order is not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- (viii) It has been represented by the company that this being first accounting period of the company, maintenance of cost records is not applicable.
- (ix) (a) According to the information and explanations given to us and according to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues to the extent applicable to the Company including sales tax / value added tax and tax deducted at source.
- (b) According to the information and explanations given to us no undisputed amounts in respect to the statutory dues referred to above which were outstanding as at



March 31st, 2013 for a period of more than six months from the date they became payable.

- (c) As explained to us and according to the records of the Company, there are no dues of income tax/ sales tax/ value added tax/ wealth tax /service tax/ customs duty/ excise duty/ cess which have not been deposited on account of any dispute.
- (x) Since the Company has been registered for a period of less than five years, paragraph 4(x) of the Order is not applicable to the Company.
- (xi) Company has no borrowings from Banks & Financial Institutions.
- (xii) Since the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4(xii) of the Order is not applicable.
- (xiii) As the Company is not a chit fund/ nidhi /mutual benefit fund / society, paragraph 4(xiii) of the Order is not applicable.
- (xiv) Since the Company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4(xiv) of the Order is not applicable.
- (xv) 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.
- (xvi) Company has not availed of any term loans during the period under report..
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to the companies / parties / firms covered in the register maintained under Section 301 of the Act on the terms and conditions which are prejudicial to the interest of the company. .
- (xix) The Company has not issued any debentures during the period. Accordingly clause 4(xix) of the Order is not applicable.
- (xx) Since the company has not raised any money during the year by way of public issue, paragraph 4(xx) of the Order is not applicable.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period.

For Gianender & Associates
Chartered Accountants
Firm Regn No 004661N



Ramesh Koul
Partner
M.No.077804

Place :

Date : 19/4/13

KIRATPUR NER CHOWK EXPRESSWAY LIMITED
Balance Sheet As At March 31, 2013

Particulars	Note	As At		As At	
		March 31, 2013		March 31, 2012	
I EQUITY AND LIABILITIES					
1 SHAREHOLDERS' FUNDS					
(a) Share capital	2	28,50,00,000		8,55,00,000	
(b) Reserves and surplus	3	(47,05,374)	28,02,94,626	(13,65,724)	8,41,34,276
2 MINORITY INTEREST					
3 ADVANCES TOWARDS CAPITAL / DEBT			-		-
4 NON-CURRENT LIABILITIES					
(a) Long-term borrowings		-		-	
(b) Deferred tax liabilities (Net)		-		-	
(c) Other long term liabilities		-		-	
(d) Long-term provisions		-		-	
5 CURRENT LIABILITIES					
(a) Current maturities of long-term debt		-		-	
(b) Current maturities of finance lease obligations		-		-	
(c) Short-term borrowings		-		-	
(d) Trade payables		2,16,175		74,452	
(e) Other current liabilities	4	1,04,45,71,123		38,80,52,017	
(f) Short-term provisions		-	1,04,47,87,298	-	38,81,26,469
TOTAL			1,32,50,81,924		47,22,60,745
II ASSETS					
1 NON CURRENT ASSETS					
(a) Fixed assets	5				
(i) Tangible assets (net)		7,40,395		-	
(ii) Intangible assets (net)		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		1,32,08,26,069	1,32,15,66,464	43,56,90,200	43,56,90,200
(b) Goodwill on consolidation (net)				-	
(c) Non-current investments (net)				-	
(d) Deffered tax assets (Net)				-	
(e) Long-term loans and advances	6	1,000	1,000	1,000	1,000
(f) Other non-current assets				-	
2 CURRENT ASSETS					
(a) Current investments		-		-	
(b) Inventories		-		-	
(c) Trade receivables		-		-	
(d) Cash and bank balances	8	34,98,570		3,65,69,545	
(e) Short-term loans and advances	7	15,890		-	
(f) Other current assets		-	35,14,460	-	3,65,69,545
TOTAL			1,32,50,81,924		47,22,60,745

Notes 1 to 14 form part of financial statements.

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

Ramesh Koul
 Partner
 Membership Number : 077804
 Place:
 Date: 17/4/13



For and on behalf of the Board

[Signature]
 Director

[Signature]
 Director

KIRATPUR NER CHOWK EXPRESSWAY LIMITED
Statement of Profit and Loss for the Year Ended March 31, 2013

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Particulars	Note	Year Ended March 31, 2013	Year Ended March 31, 2012
I Revenue from operations		-	-
II Other income		-	-
III Total revenue (I + II)		-	-
IV Expenses			
Cost of materials consumed		-	-
Operating expenses		-	-
Employee benefits expense		-	-
Finance costs		-	-
Administrative and general expenses	10	33,39,650	13,45,318
Preliminary / Miscellaneous Expenditure Written Off		-	20,406
Depreciation and amortization expense		-	-
Provision for diminution in value of investments		-	-
Amortisation of goodwill		-	-
Total expenses		33,39,650	13,65,724
V Profit before exceptional and extraordinary items and tax (III-IV)		(33,39,650)	(13,65,724)
VI Add / (Less) : Exceptional items		-	-
VII Profit before extraordinary items and tax (V-VI)		(33,39,650)	(13,65,724)
VIII Add / (Less) : Extraordinary items		-	-
IX Profit before taxation (VII-VIII)		(33,39,650)	(13,65,724)
X Tax expense:			
(1) Current tax		-	-
(2) Tax relating to earlier period		-	-
(3) Deferred tax		-	-
(4) MAT credit entitlement		-	-
Total tax expenses (X)		-	-
XI Profit from continuing operations before consolidation adjustment (IX-X)		(33,39,650)	(13,65,724)
Less: Share of profit transferred to minority interest (net)		-	-
Add / Less : Share of profit / (loss) of associates (net)		-	-
XII Profit from Continuing operation after consolidation adjustment		(33,39,650)	(13,65,724)
XIII Profit / (Loss) from discontinuing operations		-	-
XIV Tax expense of discontinuing operations		-	-
XV Profit / (Loss) from Discontinuing operations (after tax) (XIII-XIV)		-	-
XVI Profit for the period (XII-XV)		(33,39,650)	(13,65,724)
Earnings per equity share (Face value per share Rupees 10/-):	11		
(1) Basic		(0.19)	(0.16)
(2) Diluted		(0.19)	(0.16)

Notes 1 to 14 form part of financial statements.

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

Ramesh Koul
Partner
Membership Number : 077804

Place:
Date:

17/4/13

For and on behalf of the Board


Director


Director

KIRATPUR NER CHOWK EXPRESSWAY LIMITED
Cash Flow Statement for the Year Ended March 31, 2013

	Year Ended March 31, 2013	Year Ended March 31, 2013
Cash Flow from Operating Activities		
Profit Before Taxes, Minority Interest and Share of Associates	(33,39,650)	(13,65,724)
Operating profit before Working Capital Changes	(33,39,650)	(13,65,724)
Adjustments changes in working capital:		
Increase in liabilities (current and non current)	1,55,755	38,81,26,469
Cash Generated from Operations	(31,83,895)	38,67,60,745
Direct Taxes paid (Net)	(15,890)	-
Net Cash generated from Operating Activities (A)	(31,99,785)	38,67,60,745
Cash flow from Investing Activities		
Payment from Intangible Assets under development	(22,86,27,035)	(43,56,90,200)
(Decrease) / Increase in other assets & loans and advances (current and non current)	-	(1,000)
Payment for fixed assets	(7,44,155)	-
Net Cash used in Investing Activities (B)	(22,93,71,190)	(43,56,91,200)
Cash flow from Financing Activities		
(Decrease)/ Increase in share capital	19,95,00,000	8,55,00,000
Net Cash generated from Financing Activities (C)	19,95,00,000	8,55,00,000
Net Decrease in Cash and Cash Equivalents (A+B+C)	(3,30,70,975)	3,65,69,545
Cash and Cash Equivalent at the beginning of the year / period	3,65,69,545	-
Cash and Cash Equivalent at the end of the year / period	34,98,570	3,65,69,545
Net Decrease in Cash and Cash Equivalents	(3,30,70,975)	3,65,69,545
Components of Cash and Cash Equivalents		
Cash on Hand	976	-
Balances with Banks in current accounts	34,97,594	3,65,69,545
Fixed deposits placed	-	-
	34,98,570	3,65,69,545
Unpaid Dividend Accounts	-	-
Cash and Cash equivalents on acquisition of Joint Venture	-	-
Bank balances held as margin money or else security against borrowings	-	-
Cash and Cash Equivalents as per Balance Sheet	34,98,570	3,65,69,545

Notes 1 to 14 form part of financial statements.

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


Ramesh Koul
Partner
Membership Number: 077804

For and on behalf of the Board


Director


Director

Place:
 Date: 17/4/13

Note 1 – SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles (GAAP) in India, the provisions of the Companies Act, 1956, and applicable accounting standards referred to in Section 211(3C) of Companies Act, 1956. All income and expenditure having a material bearing on the financial statements are recognised on an accrual basis.

2. Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including current liabilities) as of the date of the financial statements, the reported income and expenses during the reporting period and disclosure of contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

3. Fixed Assets and Depreciation

- a. 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.
- b. 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.
- c. Administrative and other general overhead expenses net of income from temporary investments, incurred up to 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.
- d. 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.
- e. For depreciation on fixed assets other road project assets, the Company has adopted the Straight Line Method of depreciation so as to depreciate 100% of the cost of the following type of assets at rates higher than those prescribed under Schedule XIV to the Companies Act, 1956, based on the Management's estimate of useful life of such assets:

Asset Type	Useful Life
Computers	4 years
Specialised Office Equipment	3 years
Assets Provided to Employees	3 years

- f. Depreciation on fixed assets other than on assets specified in Notes 3(e) is provided on the Written down Value method using the rates prescribed by Schedule XIV of the Companies Act, 1956.



- g. All categories of assets costing less than ₹ 5,000 each, mobile phones and items of soft furnishing are fully depreciated in the year of purchase.

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

5. 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.

6. 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.

7. 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.



8. 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.

9. 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.

10. 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.

11. 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".

12. Preliminary Expenditure

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

13. 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, 2013
Note 2: Share capital

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	₹	Number	₹
Authorised				
Equity Shares of Rupees 10/- each	5,00,00,000	50,00,00,000	1,50,00,000	15,00,00,000
Issued				
Equity Shares of Rupees 10/- each	2,85,00,000	28,50,00,000	85,50,000	8,55,00,000
Subscribed and Paid up				
Equity Shares of Rupees 10/- each fully paid (refer foot note no. i, ii, and iii)	2,85,00,000	28,50,00,000	85,50,000	8,55,00,000
Total	2,85,00,000	28,50,00,000	85,50,000	8,55,00,000

Foot Notes:

- Of the above 285,00,000 shares are held by the holding Company and its nominees (As at March 31, 2012 :85,49,940).
- Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2013		As at March 31, 2012	
	Equity Shares		Equity Shares	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year	85,50,000	8,55,00,000	-	-
Shares issued during the period year	1,99,50,000	19,95,00,000	85,50,000	8,55,00,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,85,00,000	28,50,00,000	85,50,000	8,55,00,000

ii.Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2013		As at March 31, 2012	
	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)	2,85,00,000	100.00%	85,50,000	100.00%
Total	2,85,00,000	100.00%	85,50,000	100.00%

iii.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, 2013		As at March 31, 2012	
Profit / (Loss) Surplus				
Opening balance	(13,65,724)		(13,65,724)	
(+) Profit for the current period / year	(33,39,650)			
(-) Consolidation adjustment				
(-) Transfer to general reserves				
(-) Transfer to debenture redemption reserve				
(-) Dividends (including dividend tax)				
(-) Premium on preference shares of subsidiary				
(-)Tax on dividend and premium on preference shares of subsidiary		(47,05,374)		(13,65,724)
Total		(47,05,374)		(13,65,724)



KIRATPUR NER CHOWK EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the Year Ended March 31, 2013

Note 4: Other current liabilities

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Interest accrued but not due on borrowings				
(b) Interest accrued and due on borrowings				
(c) Income received in advance				
(d) Advance received				
(e) Unearned revenue				
(f) Mobilisation advance received				
(g) Statutory dues	82,940		4,35,80,437	
(h) Other Creditors	1,04,44,88,183	1,04,45,71,123	34,44,71,580	38,80,52,017
Total		1,04,45,71,123		38,80,52,017



Note 6: Fixed assets

Particulars	Gross block				Accumulated depreciation					Net block		
	Balance as at April 1, 2012	Opening adjustments	Additions	Disposals	Balance as at March 31, 2013	Balance as at April 1, 2012	Opening adjustments	Depreciation charge for the period	On disposals	Balance as at March 31, 2013	Balance as at March 31, 2013	Balance as at March 31, 2012
a) Tangible assets												
Data processing equipments	-	-	7,44,155	-	7,44,155	-	-	3,760	-	3,760	7,40,395	-
Total	-	-	7,44,155	-	7,44,155	-	-	3,760	-	3,760	7,40,395	-
b) Intangible assets												
Total	-	-	-	-	-	-	-	-	-	-	-	-
Grand total	-	-	7,44,155	-	7,44,155	-	-	3,760	-	3,760	7,40,395	-
c) Capital work-in-progress												
d) Intangible assets under Development (refer note 1)	43,56,90,200	-	88,61,33,869	-	1,32,08,26,069	-	-	-	-	-	1,32,08,26,069	43,56,90,200
Previous year	-	-	43,56,90,200	-	43,56,90,200	-	-	-	-	-	43,56,90,200	-



KIRATPUR NER CHOWK EXPRESSWAY LIMITED**Notes forming part of the Financial Statements for the Year Ended March 31, 2013**

Foot Note:

i) Intangible Assets under Development

Particulars	As at March 31, 2012 Rupees	Addition During The Period	As at March 31, 2013 Rupees
Debt Syndication Fees	3,86,05,000	4,97,14,581	8,83,19,581
Documentation Charges	-	21,06,750	21,06,750
Advisory Fees	-	7,66,74,688	7,66,74,688
Security Trusteeship Fees	4,41,200	2,24,720	6,65,920
Underwriting Fees	4,88,07,750	-	4,88,07,750
Lead Bank Charges	-	1,65,71,527	1,65,71,527
Upfront Fees	41,36,250	3,72,15,317	4,13,51,567
Escrow Fees	-	4,49,440	4,49,440
Lender Agent Fees	-	13,48,320	13,48,320
Processing Fees	-	6,74,160	6,74,160
Interest on Fixed Deposit	-	-44,435	-44,435
Independent Engineer's Fees	-	61,08,638	61,08,638
Boarding & Lodging	-	4,85,468	4,85,468
Business Promotion	-	3,17,750	3,17,750
Legal & Professional Fees	-	34,28,189	34,28,189
Printing & Stationery Charges	-	64,134	64,134
Travelling Expenses	-	22,97,641	22,97,641
Project Development Fees	34,37,00,000	68,73,00,000	1,03,10,00,000
Depreciation	-	3,760	3,760
Service Tax on Legal & Professional Fees	-	1,44,388	1,44,388
Telephone & Mobile Charges	-	50,833	50,833
Total	43,56,90,200	88,51,35,869	1,32,08,26,069



KIRATPUR NER CHOWK EXPRESSWAY LIMITED
Notes forming part of the Financial Statements for the Year Ended March 31, 2013
Note 6: Long-term loans and advances

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Capital Advances				
Secured, considered good	-	-	-	-
Unsecured, considered good				
(b) Security Deposits				
Secured, considered good				
Unsecured, considered good	1,000	1,000	1,000	1,000
(c) Loans and advances to related parties				
Unsecured, considered good				
- Advance recoverable in cash or kind - related parties				
- Option premium assets				
- Advance towards share application money				
- Long term loans				
(d) Other loans and advances				
Unsecured, considered good				
- Loans to others				
- Advance towards share application money				
- Prepaid expenses				
- MAT credit entitlement				
Total		1,000		1,000

Note 7: Short-term loans and advances

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Loans and advances to related parties				
Unsecured, considered good				
- Advance recoverable in cash or kind - related parties				
- Investment in call money				
- Short term loans				
(d) Other loans and advances				
Unsecured, considered good				
- Advance payment of taxes (net of provision)	15,890		-	
- Advance recoverable in cash or kind			-	
- Prepaid expenses				
- Short term loans - others				
Total		15,890		-



KIRATPUR NER CHOWK EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the Year Ended March 31, 2013

Note 8: Cash and bank balance

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Cash and cash equivalents				
Cash on hand	976		-	
Current accounts	34,97,594		3,65,69,545	
Fixed Deposits placed for a period exceeding 3 months				
Fixed Deposits placed for a period less than 3 months		34,98,570		3,65,69,545
(b) Other bank balances				
Unpaid dividend accounts	-			
Bank balances held as margin money or else security against borrowings				
Other restricted cash (give breakup and nature to the extend possible)	-	-		-
Total		34,98,570		3,65,69,545



KIRATPUR NER CHOWK EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the Year Ended March 31, 2013

Note 9: Contingent liabilities and capital commitments

A) Contingent liabilities :

Particulars			₹	₹
Sr. No.	Name of party	Description	As at March 31, 2013	As at March 31, 2012
1	NIL	Guarantees issued on behalf of Group Companies	NIL	NIL
2	NIL	Guarantees issued on behalf of Third parties	NIL	NIL
3	NIL	Claims against the Group not acknowledged as debt	NIL	NIL
4	NIL	Others (Please give description)	NIL	NIL
5				

B) Financial commitments pending to be executed :

Particulars			₹	₹
Sr. No.	Name of party	Description	As at March 31, 2013	As at March 31, 2012
1	IL&FS Trust Company Limited	Security Trusteeship Fees	34,00,000	NIL
2				
3				

C) Other commitments pending to be executed :

Particulars			₹	₹
Sr. No.	Name of party	Description	As at March 31, 2013	As at March 31, 2012
1	IL&FS Transportation Networks Limited	Project Development Fees	NIL	57,28,00,000
2	IL&FS Financial Services Limited	Advisory Fees	NIL	6,82,40,200
3	IL&FS Financial Services Limited	Debt Syndication Fees	NIL	4,42,45,800

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

Particulars			₹	₹
Sr. No.	Name of party	Description	As at March 31, 2013	As at March 31, 2012
1	IL&FS Engineering and Construction Company Limited	Estimated amount of contracts to be executed on capital account and not provided for (net of capital advances)	14,36,08,00,000.00	NIL

E) Disclose the amount paid/Payable to Auditors :

Particulars			₹	₹
Sr. No.	Name of Auditors	Description	As at March 31, 2013	As at March 31, 2012
1	Ray & Ray	Other Services	85,815	27,575
2	Ray & Ray	Certification Matter	NIL	11,030
3	Ray & Ray	Other Services	NIL	55,150
4	Gianender & Associates	Other Services	84,270	NIL
5	Gianender & Associates	Audit Fees	1,68,540	NIL



KIRATPUR NER CHOWK EXPRESSWAY LIMITEDNotes forming part of the Financial Statements for the Year Ended **March 31, 2013****Note 10: Administrative and general expenses**

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
Legal and consultation fees	25,553		26,883	
Auditors' Remuneration	3,38,625		93,755	
Agency fees	-		-	
Travelling and conveyance	1,000		-	
Rent	-		-	
Rates and taxes	4,250		680	
Repairs and maintenance	-		-	
Bank commission	1,403		-	
Registration expenses	26,49,500		12,24,000	
Communication expenses	-		-	
Insurance	180		-	
Exchange rate fluctuation	-		-	
Printing and stationery	-		-	
Electricity charges	-		-	
Directors' fees	2,40,000		-	
Bad debts and provision for doubtful debts	-		-	
Project management fees	-		-	
Loss on sale of fixed assets (net)	-		-	
Royalty	-		-	
Miscellaneous expenses	79,139	33,39,650	-	13,45,318
		33,39,650		13,45,318



KIRATPUR NER CHOWK EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the Year Ended March 31, 2013

Note 11: Earnings per equity share

Particulars	Unit	Year ended March 31, 2013	Year ended March 31, 2012
Profit after tax and minority interest	₹	(33,39,650)	(13,65,724)
Premium on preference shares	₹	-	-
Tax on premium on preference shares	₹	-	-
Profit available for Equity Shareholders	₹	(33,39,650)	(13,65,724)
Weighted number of Equity Shares outstanding	Numbers	1,79,13,838	85,50,000
Nominal Value of equity shares	₹	10	10
Basic Earnings per share	₹	(0.19)	(0.16)
Equity shares used to compute diluted earnings per share	Numbers	1,79,13,838	85,50,000
Diluted Earnings per share	₹	(0.19)	(0.16)

In the absence of clarity as to the impact of advance towards capital on the earnings of the Group, no adjustment has been made for potential dilution in computing diluted earnings per share.



KIRATPUR NER CHOWK EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the Year Ended March 31, 2013

Note 12: Related Party Statement

Related party Disclosures as per AS-18 on "Related Party Disclosure" in respect of the Company as on March 31, 2013 are as follows :

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)	IL&FS Trust Company Limited	ITCL
	IL&FS Financial Services Limited	IFIN
Associates :	NIL	NIL
Enterprise having significant influence over the Company	NIL	NIL
Co - Venture :	NIL	NIL
Key Management personnel :	NIL	NIL

2. Details of balances and transactions during the period with related parties

Account head	Name of Entity	As At March 31, 2013	As At March 31, 2012
Balances:			
Share Capital	ITNL	28,50,00,000	8,55,00,000
Other Creditors	ITNL	92,78,90,000	30,93,30,000
Other Creditors	IFIN	11,40,23,327	3,47,44,500
Other Creditors	ITCL	NIL	3,97,080
Deposit Given	ITCL	1,000	1,000

Transactions:		For the year ended March 31, 2013	For the year ended March 31, 2012
Share Capital	ITNL	19,95,00,000	8,55,00,000
Project Development Fees	ITNL	68,73,00,000	34,37,00,000
Debt Syndication Fees	IFIN	4,97,14,581	3,86,05,000
Advisory Fees	IFIN	7,66,74,688	NIL
Security Trustee Fees paid	ITCL	2,24,720	4,41,200

Note 13: 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.



KIRATPUR NER CHOWK EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the Year Ended March 31, 2013

Note 14: Previous period / year

i) Figures for the previous period have been regrouped, reclassified where necessary, to conform to the classification of the current period in case of Balance sheet.

ii) Previous period figures are not comparative to Current Year figures as previous period was from February 12, 2012 to March 31, 2012.

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



Ramesh Koul
Partner
Membership Number : 077804

For and on behalf of the Board


Director


Director

Place:

Date: 19/4/13