

**KHED SINNAR EXPRESSWAY LIMITED**

**ANNUAL REPORT**

**2013-14**

## **DIRECTORS' REPORT**

The Shareholders

### **KHED SINNAR EXPRESSWAY LIMITED**

Your Directors have pleasure in presenting the First Annual Report along with the Audited Statements of Accounts for the financial period ended March 31, 2014

### **FINANCIAL RESULTS**

The financial results of the Company are as under:

	(Amount in ₹)
	For the period ended March 31, 2014
Total Income	-
Total Expenses	(8,385,466)
Profit/(Loss) Before Tax	(8,385,466)
<u>Less: Provision for Tax</u>	-
Profit/(Loss)After Tax	(8,385,466)
Balance carried forward	(8,385,466)

### **OPERATIONS:**

During the year under review, your Company commenced the development works of the Four Laning of Khed-Sinnar Section of NH-50 from Km 42+000 to Km 177+000 (Design Length – 137.946 Km) under NHDP Phase IV B in the State of Maharashtra on DBFOT Basis (“the Project”), awarded by National Highways Authority India. The Company has achieved physical progress of 11.59% and financial progress of 19.15% as of March 31, 2014

### **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 100,00,00,000/-. The Company had thereafter issued 5,14,50,000 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 ₹51,50,00,000/- during this year under review

### **DIVIDEND:**

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

**DIRECTORS:**

Mr. M. B. Bajulge, 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 period under review, Mr. Harish Mathur, Mr. Kazim Raza Khan and Mr. Hari Bhavsar were appointed as Additional Directors on the Board of the Company with effect from July 17, 2013

**AUDITORS:**

During the year, M/s. Gianender & Associates, Chartered Accountants, were appointed as first Auditors of the Company. M/s. Gianender & Associates, Chartered Accountants, Statutory Auditors, retire at the ensuing Annual General Meeting

**DEPOSITS:**

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

**CORPORATE GOVERNANCE:**

3 Board Meetings were held during the period under review on, July 17, 2013, October 17, 2013 and January 20, 2014. The numbers of meetings attended by the Directors are as under:

<b>Sr. No.</b>	<b>Name of Directors</b>	<b>No. of Board Meetings held during tenure</b>	<b>Meetings attended</b>
1	Mr. Krishna Ghag	3	3
2	Mr. Ajay Menon	3	3
3	Mr. M. B. Bajulge	3	3
4	Mr. Harish Mathur (from July 17, 2013)	2	2
5	Mr. Hari Bhavsar (from July 17, 2013)	2	1
6	Mr. Kazim Raza Khan (from July 17, 2013)	2	2

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. M. B. Bajulge, Mr. Kazim Raza Khan and Mr Krishna Ghag. The Audit Committee met one time during the year under review on January 20, 2014

<b>Sr. No.</b>	<b>Name of Directors</b>	<b>No. of Board Meetings held during tenure</b>	<b>Meetings attended</b>
1	Mr. Krishna Ghag	1	1
2	Mr. M. B. Bajulge	1	1
3	Mr. Kazim Raza Khan (from July 17, 2013)	1	1

The Chairman of the Audit Committee was present at the AGM

**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

Mumbai, April 22, 2014

Sd/-  
Director

Sd/-  
Director

## INDEPENDENT AUDITORS' REPORT

**TO,  
THE MEMBERS OF  
KHED SINNAR EXPRESSWAY LIMITED,**

### **Report on the Financial Statements**

1. We have audited the accompanying financial statements of **KHED SINNAR EXPRESSWAY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and 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. 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**

3. 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.
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 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.



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

### **Opinion**

6. 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, 2014;
  - (b) in the case of the statement of Profit and Loss, 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**

7. As required by section 227(3) of the Companies Act 1956, 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 complies 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 31<sup>st</sup> March 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March 2014, from being appointed as a director in terms of paragraph (g) of sub-section (1) of section 274 of the Companies Act, 1956.

8. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the company.

For Gianender & Associates  
Chartered Accountants  
ICAI Firm Regn No. 004661N



Ramesh Koul  
Partner  
ICAI M No.077804

Place : New Delhi.

Date : 22/04/2014

**ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARA 8 OF OUR  
REPORT UNDER THE HEADING "REPORT ON OTHER LEGAL AND  
REGULATORY REQUIREMENTS" OF EVEN DATE OF KHED SINNAR  
EXRESSWAY LIMITED FOR THE YEAR ENDED ON MARCH 31, 2014**

- (i)
- a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) We are informed that the management of the Company has physically verified fixed assets during the period under report and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of the fixed asset is reasonable.
  - c) The Company has not disposed of any of its fixed assets and therefore the going concern assumption is appropriate.
- (ii) The Company is engaged in the business of infrastructure development & its maintenance and has no inventories during the period under report, therefore there is nothing to report under clauses 4(ii) (a), (b) & (c) of the Companies (Auditor's Report) Order 2003 does not arise.
- (iii) According to the information and explanations given to us, the company has neither taken nor granted any loans to / from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 hence reporting under the clause (iii) (a) to (g) of the order is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures, commensurate with the size of the company and nature of its business with regard to purchase of fixed assets and for the construction work. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
- (v)
- a. In our opinion and according to the information and explanations given to us, The particulars of contracts that need to be entered into the register in pursuance of section 301 of the Companies Act, 1956 have been so entered where ever applicable.
  - b. In our opinion, 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) According to the information and explanations given to us, the company has not accepted deposits from the public within the meaning of the provisions of section 58 A, 58 AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) 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 209 (1) (d) of the Companies Act, 1956, are made and maintained.
- (ix) (a) According to the information & explanation given to us and according to the records, the company is generally regular in depositing undisputed statutory dues with appropriate authorities 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, as at 31<sup>st</sup> March, 2014, no undisputed statutory dues were outstanding for a period more than six months from the date they become payable.
- (b) According to the information and explanation given to us, there are no dues of income-tax, wealth-tax, sales tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) Since the Company has been into existence for a period less than five years, paragraph 4(x) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
- (xi) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to the banks and financial institutions.
- (xii) According to the information and explanation given to us, the Company has not granted any loans or advances against pledge of shares, debentures or other securities.
- (xiii) In our opinion, the Company is not a Chit fund company or Nidhi / Mutual Benefit Fund / Society. Therefore the provisions of clause 4(13) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.



- (xiv) In our opinion and according to the information and explanation given to us, the Company is not dealing in shares, securities, debentures and other investments.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion and according to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, the term loans raised during the period have prima facie been applied for the purpose for which they were raised.
- (xvii) According to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis which is used for long term investments.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year on the terms and conditions which are prejudicial to the interest of the Company.
- (xix) The Company has not issued any debentures during year and hence the question of creation of securities for debentures does not arise.
- (xx) The Company has not raised any money by public issues during the period covered by our report.
- (xxi) During the course of our examination of the books and records of the Company, carried in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the period under audit, nor have been informed of such case by management.

For Gianender & Associates  
Chartered Accountants  
ICAI Firm Regn No. 004661N

  
Ramesh Koul

Partner  
ICAI M No.077804

Place : New Delhi  
Date : 22/04/2014

**KHED SINNAR EXPRESSWAY LIMITED**

**Balance Sheet as at March 31, 2014**

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Particulars		Note	As at March 31, 2014	
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>SHAREHOLDERS' FUNDS</b>			
	(a) Share capital	<b>2</b>	51,50,00,000	
	(b) Reserves and surplus	<b>3</b>	(83,85,466)	<b>50,66,14,534</b>
<b>2</b>	<b>NON-CURRENT LIABILITIES</b>			
	(a) Other long term liabilities	<b>4</b>	3,58,09,05,425	<b>3,58,09,05,425</b>
<b>3</b>	<b>CURRENT LIABILITIES</b>			
	(a) Other current liabilities	<b>5</b>	4,38,73,305	<b>4,38,73,305</b>
	<b>TOTAL</b>			<b>4,13,13,93,264</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>NON CURRENT ASSETS</b>			
	(a) Fixed assets	<b>6</b>		
	(i) Tangible assets (net)		-	
	(ii) Intangible assets (net)		-	
	(iii) Capital work-in-progress		4,01,39,94,896	<b>4,01,39,94,896</b>
	(b) Long-term loans and advances	<b>7</b>	97,23,905	<b>97,23,905</b>
<b>2</b>	<b>CURRENT ASSETS</b>			
	(a) Trade receivables	<b>8</b>	8,84,13,686	
	(b) Cash and bank equivalents	<b>9</b>	1,26,14,287	
	(c) Short-term loans and advances	<b>10</b>	66,46,490	<b>10,76,74,463</b>
	<b>TOTAL</b>			<b>4,13,13,93,264</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 22, 2014

**For and on behalf of the Board**

*[Signature]*  
 Director

*[Signature]*  
 Director

**KHED SINNAR EXPRESSWAY LIMITED****Statement of Profit and Loss for the year ended March 31, 2014**

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Particulars		Note	Year ended March 31, 2014
<b>I</b>	<b>Revenue from operations</b>		-
<b>II</b>	<b>Total revenue</b>		-
<b>III</b>	<b>Expenses</b>		
	Administrative and general expenses	<b>11</b>	83,85,466
	<b>Total expenses (III)</b>		<b>83,85,466</b>
<b>IV</b>	<b>Profit / (Loss) before taxation (III-IV)</b>		<b>(83,85,466)</b>
<b>V</b>	<b>Tax expense:</b>		
	(1) Current tax		-
	(2) Tax relating to earlier period		-
	(3) Deferred tax		-
	<b>Total tax expenses (V)</b>		<b>-</b>
<b>VI</b>	<b>Profit / (Loss) for the year (IV-V)</b>		<b>(83,85,466)</b>
	Earnings per equity share (Face value per share ₹ 10/- )	<b>12</b>	
	(1) Basic		(0.56)
	(2) Diluted		(0.56)

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 22, 2014

**For and on behalf of the Board**


Director



Director

**KHED SINNAR EXPRESSWAY LIMITED**

**Cash Flow Statement for the year ended March 31, 2014**

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	<b>Year ended March 31, 2014</b>
<b>Cash Flow from Operating Activities</b>	
<b>Profit / (Loss) before taxation</b>	(83,85,466)
<b>Adjustments</b>	Nil
<b>Operating profit before Working Capital Changes</b>	<b>(83,85,466)</b>
<b>Adjustments changes in working capital:</b>	
Increase in Trade receivables	(8,84,13,686)
Increase in liabilities (current and non current)	3,62,47,78,730
<b>Cash Generated from Operations</b>	<b>3,52,79,79,578</b>
Direct Taxes paid (Net)	-
<b>Net Cash generated from Operating Activities (A)</b>	<b>3,52,79,79,578</b>
<b>Cash flow from Investing Activities</b>	
Payment for Intangible Assets	-
Increase in Receivable under Service Concession Arrangement	(4,01,39,94,896)
(Decrease) / Increase in other assets & loans and advances (current and non current)	(1,63,70,395)
<b>Net Cash used in Investing Activities (B)</b>	<b>(4,03,03,65,291)</b>
<b>Cash flow from Financing Activities</b>	
Proceeds from Issue of Shares	51,50,00,000
<b>Net Cash generated from Financing Activities (C)</b>	<b>51,50,00,000</b>
<b>Net Decrease in Cash and Cash Equivalents (A+B+C)</b>	<b>1,26,14,287</b>
Cash and Cash Equivalent at the beginning of the year / period	-
Cash and Cash Equivalent at the end of the year / period	1,26,14,287
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>1,26,14,287</b>
<b>Components of Cash and Cash Equivalents</b>	
Cash on Hand	1,107
Balances with Banks in current accounts	1,26,13,180
Cash and Cash Equivalents as per Balance Sheet	<b>1,26,14,287</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



**For and on behalf of the Board**

  
 Director

  
 Director

Place: Mumbai  
 Date: April 22, 2014

# **KHED SINNAR EXPRESSWAY LIMITED**

## **Notes to Financial Statements for year ended March 31, 2014**

### **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 Accounting Standards specified in The Companies (Accounting Standard) Rules, 2006 notified by the Central Government in terms of Section 211(3C) of the Companies Act, 1956, read with general circular 15/2013 dated 13th September 2013 of the companies act 2013 issued by Ministry of Corporate Affairs. All income and expenditure having a material bearing on the financial statements are recognised on an accrual basis.

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. Future results could differ from these estimates.

#### **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.

# KHED SINNAR EXPRESSWAY LIMITED

## Notes to Financial Statements for year ended March 31, 2014

- c. Expenses incurred on the Project includes direct and attributable / allocated indirect expenses incurred for the construction of the road and is capitalized when the project is complete in all respects and when the Company receives the final completion certificate from the authority as specified in the Concession Agreement and not on completion of component basis as the intended purpose of the project is to have the complete length of the road available for use. The economics of the project is for the entire length of the road as per the bidding submitted by the Company. The component based certification which is received is an intermediate mechanism provided in the Concession Agreement to provide a right to collect a discounted toll to compensate the Company for cost recovery during construction period and for any delays beyond the control of the Company.
- 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:

<b>Asset Type</b>	<b>Useful Life</b>
Computers	4 years
Specialised Office Equipment	3 years
Assets Provided to Employees	3 years

- f. AFCMDC Depreciation on the components of Pune-Sholapur Road is charged to the profit and loss statement on a straight line basis over the period over which the respective component is expected to be overlaid or renewed.
- g. 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.
- h. 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.

# KHED SINNAR EXPRESSWAY LIMITED

## Notes to Financial Statements for year ended March 31, 2014

### f. Capital work in progress:

The construction cost includes borrowing cost, administrative and general overhead expenses specifically attributed to the construction project are part of the cost of the project and debited to capital work in progress up to the date when the asset is ready for its intended use, which is when the complete length of the project as specified in the Concession Agreement is complete and on receipt of final completion certificate from the authority as specified in the Concession Agreement and not on component basis certifications received. Discounted Revenue collected on receipt of the component based certification received as an intermediate mechanism provided in the Concession Agreement is reduced from the cost of the Intangible asset as the construction work is still in progress and the entire asset is not ready for its intended purpose.

### 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 directly attributable to the acquisition, construction of the roads are capitalised up to the date of the final completion certificate of the asset / facility received from the authority as specified in Concession Agreement. All borrowing costs subsequent to the final completion certificate of the asset / facility as specified in Concession Agreement are charged to the Statement of Profit and Loss in the period in which such costs are incurred

### 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

# **KHED SINNAR EXPRESSWAY LIMITED**

## **Notes to Financial Statements for year ended March 31, 2014**

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**

Toll revenue is recognised on collections, which coincides with the usage of the toll roads. Where the toll collection activity is auctioned, the toll revenue is recognised on accrual basis. Any revenue collection until the capitalization of asset is credited to Intangible Asset. Interest Income is recognised on a time proportion basis.

# KHED SINNAR EXPRESSWAY LIMITED

## Notes to Financial Statements for year ended March 31, 2014

### 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.

**KHED SINNAR EXPRESSWAY LLIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2014

**Note 2: Share capital**

Particulars	As at March 31, 2014	
	Number	₹
<b>Authorised</b>		
Equity Shares of ₹10/- each	10,00,00,000	1,00,00,00,000
<b>Issued</b>		
Equity Shares of ₹ 10/- each	5,15,00,000	51,50,00,000
<b>Subscribed and Paid up</b>		
Equity Shares of ₹ 10/- each fully paid (refer foot note no. i, ii, iii and iv)	5,15,00,000	51,50,00,000
<b>Total</b>	<b>5,15,00,000</b>	<b>51,50,00,000</b>

**Foot Notes:**

- i. Of the above 5,15,00,000 shares are held by the holding Company and its nominees (As at March 31, 2013 : Nil).
- ii. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2014	
	Equity Shares	
	No. of Shares	₹
Shares outstanding at the beginning of the year / period	-	-
Shares issued during the year / period	5,15,00,000	51,50,00,000
Shares bought back during the year / period		
Shares outstanding at the end of the year / period	<b>5,15,00,000</b>	<b>51,50,00,000</b>

- iii. Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2014	
	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited (the Holding Company and its nominees)	5,15,00,000	100%
<b>Total</b>	<b>5,15,00,000</b>	<b>100%</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, 2014	
<b>(a) Profit / (Loss) Surplus</b>		
Opening balance	-	
(+) Profit for the current period	(83,85,466)	(83,85,466)
<b>Total</b>		<b>(83,85,466)</b>



**KHED SINNAR EXPRESSWAY LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2014

**Note 4: Other long term liabilities**

₹

Particulars	As at March 31, 2014	
<b>(a) Others</b>		
i) Security Deposits		
From related parties		
From others	44,20,684	44,20,684
(ii) Retention Money Payable		
From related parties	7,70,93,035	
From others	44,20,684	8,15,13,719
(iii) Other long term liabilities		
From related parties	4,03,01,53,152	
From others	-53,51,82,130	3,49,49,71,022
<b>Total</b>		<b>3,58,09,05,425</b>

**Note 5: Other current liabilities**

₹

Particulars	As at March 31, 2014	
<b>(a) Statutory dues</b>		4,38,73,305
<b>Total</b>		<b>4,38,73,305</b>



**KHED SINNAR EXPRESSWAY LLIMITED**  
**Notes forming part of the Financial Statements for the year ended March 31, 2014**

**Note 1.1: Fixed assets**

Particulars	Gross block			Accumulated depreciation		Net block Balance as at March 31, 2014
	Balance as at April 1, 2013	Additions	Disposals	Balance as at April 1, 2013	Depreciation charge for the year	
a) Tangible assets	-	-	-	-	-	-
Total	-	-	-	-	-	-
b) Intangible assets	-	-	-	-	-	-
Total	-	-	-	-	-	-
c) Capital work-in-progress	-	4,01,39,94,896	-	-	-	4,01,39,94,896
Grand Total	-	<b>4,01,39,94,896</b>	-	-	-	<b>4,01,39,94,896</b>
PREVIOUS YEAR	-	-	-	-	-	-



**KHED SINNAR EXPRESSWAY LLIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2014

**Note 7: Long-term loans and advances**

₹

Particulars	As at March 31, 2014	
<b>(a) Other loans and advances</b> Unsecured, considered good - Prepaid expenses	97,23,905	97,23,905
<b>Total</b>		<b>97,23,905</b>

**Note 8: Trade receivables**

₹

Particulars	As at March 31, 2014	
<b>(a) Trade receivables outstanding for a period less than six months from the date they are due for payment</b> Secured, considered good - Related party - Others	8,84,13,686	8,84,13,686
<b>Total</b>		<b>8,84,13,686</b>

**Note 9: Cash and cash equivalents**

₹

Particulars	As at March 31, 2014	
<b>(a) Cash and cash equivalents</b> Cash on hand Balances with Banks in current accounts Balances with Banks in deposit accounts	1,107 1,26,13,180 -	1,26,14,287
<b>(b) Other bank balances</b>		-
<b>Total</b>		<b>1,26,14,287</b>

**Note 10: Short-term loans and advances**

₹

Particulars	As at March 31, 2014	
<b>(a) Other loans and advances</b> Unsecured, considered good - Prepaid expenses	66,46,490	66,46,490
<b>Total</b>		<b>66,46,490</b>



**KHED SINNAR EXPRESSWAY LLIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2014

**Note 11: Administrative and general expenses**

₹

<b>Particulars</b>	<b>As at March 31, 2014</b>	
Legal and consultation fees		1,94,280
Rates and taxes		4,168
Bank commission		145
Registration expenses		76,11,961
Printing and stationery		25,704
Directors' fees		54,944
Auditor's Remuneration		4,93,599
Miscellaneous Expenses		665
<b>Total</b>		<b>83,85,466</b>

**Auditor's Remuneration Includes:**

<b>Sr. No.</b>	<b>Name of Auditors</b>	<b>Description</b>	<b>As at March 31, 2014</b>
1	Gianender & Associates	Audit Fees	2,00,000
		Other Services	2,39,300
		Service Tax on above	54,299
	<b>Total</b>		<b>4,93,599</b>

