

**PUNE SHOLAPUR ROAD DEVELOPMENT  
COMPANY LIMITED**

**ANNUAL REPORT**

**2013-14**

## DIRECTORS' REPORT

The Shareholders,  
**Pune Sholapur Road Development Company Limited**

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

### Financial Results:

The financial results of the Company are as under:

(in ₹)

Particulars	Year ended on March 31, 2014	Year ended on March 31, 2013
Total Income	-	-
Total Expenses	(7,981,433)	(2,170,050)
Profit/(Loss) Before Tax	(7,981,433)	(2,170,050)
<u>Less: Provision for Tax</u>	-	-
Profit /(Loss)After Tax	(7,981,433)	(2,170,050)
Balance carried forward	(119,779,057)	(11,797,624)

### Operations:

During the year under review, your Company substantially completed the construction of the road starting from Pune to Sholapur section of NH-9 in the state of Maharashtra 145 days ahead of Scheduled Project Completion Date. The Company also commenced commercial operations and maintenance of 80.85 kms of completed stretch and the remaining stretches are at advanced stages of construction. The tolling on the Project commenced from August 23, 2013 and the total revenue collected as of March 31, 2014 was ₹ 370.48 Million

### Dividend:

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

### 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 ₹160,00,00,000/- to ₹176,00,00,000/-. During the year under the review the Company had issued and allotted 1,60,00,000 Equity Shares of ₹10 per share for cash at a premium of ₹3 per share on preferential basis to East Nippon Expressway Company Limited, Japan on March 24, 2014

### Directors:

During the year under review, Mr. Krishna Ghag and Mr. M. B. Bajulge, Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment

**Auditors:**

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

**Auditors Observations:**

The Auditor has made observation in their report for *Accounting for rights under Service Concession Arrangements*’; detail explanation and clarification for the same is as follows:

- As 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
- The “Project” as envisaged in the Service Concession Arrangement is considered as one asset and is capitalised only when full length road as stated in the concession is complete. In view of AS-10, It is the Company’s policy not to componentize length of the road. The granter of the concession specifies the asset and its use and accordingly, total length is specified as the project asset

**Corporate Governance:**

Four Board Meetings were held during the year under review on April 17, 2013, 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	4	4
2	Mr. Harish Mathur	4	3
3	Mr. Danny Samuel	4	3
4	Mr. Deep Sen	4	4
5	Mr. M. B. Bajulge	4	4
6	Mr. Kazim Raza Khan	4	4

The Audit Committee has been constituted for good corporate governance and focused attention on the affairs of the Company. The Audit Committee is comprised of Mr. Krishna Ghag, Mr. Harish Mathur and Mr. Danny Samuel. The Audit Committee met four times during the year under review on April 17, 2013, July 17, 2013, October 17, 2013 and 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	4	4
2	Mr. Harish Mathur	4	4
3	Mr. Danny Samuel	4	4

The Chairman of the Audit Committee was present at the AGM

**Deposits:**

Your Company has not accepted any deposits during the year under review

**Particulars of Employees:**

There were no employees in respect of whom the information is required to be provided pursuant to Section 217(2A) of the Companies Act, 1956

**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 this 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 year 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 and hence not provided

**Acknowledgments:**

The Directors place on record their appreciation for the support and co-operation received from various Government Authorities including National Highway Authority of India (NHAI), and other Regulatory Authorities, Banks, Financial Institution 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  
PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED,**

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

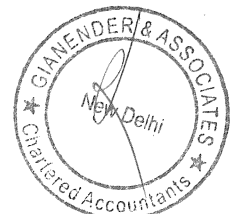
1. We have audited the accompanying financial statements of **PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting 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.

6.. **Opinion.**

**Change in accounting policy regarding amortization/depreciation is not in conformity with AS 26 –‘Intangible Assets’ read with AS 16-‘Borrowing Costs’ issued by the Institute of Chartered Accountants of India. This has resulted in under statement of income i.e. toll revenue by Rs. 37,04,76,278 and under statement of expenses by Rs 72,67,89,027 (amortization/depreciation by Rs. 6,00,45,114, borrowing costs by Rs. 61,45,41,647, Administrative Expenses by Rs 92,09,846 and Operating expenses by Rs 4,29,92,420) and under statement of ‘Intangible Assets’ by Rs.13,98,13,39,298 and over statement of ‘Intangible Assets under Development’ by Rs. 1433,76,52,046.**

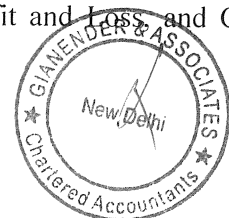
**Subject to above**, in our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted 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 year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year 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

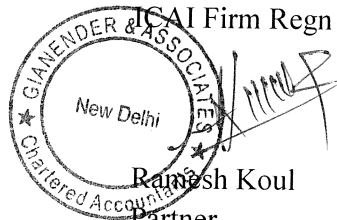


Flow Statement complies with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

- 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

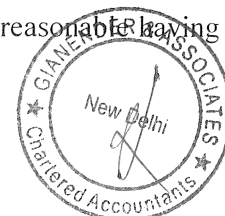
ICAI M No.077804

Place : New Delhi.

Date : 26.05.2014

**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 PUNE SHOLAPUR ROAD  
DEVELOPMENT COMPANY 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 granted nor taken 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. The activities of the Company during the year under audit, do not involve purchase of inventory and sale of goods. 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) The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth after giving effect of qualification in our report. The Company has incurred cash losses during the financial year and also in the immediately preceding financial year.
- (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(xiii) of the Companies (Auditor's Report) Order 2003 are 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 records of the Company, the term loans have 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 the year. Accordingly clause 4(xix) of the order is not applicable.
- (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 : 26.05.2014

PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED

Balance Sheet as at March 31, 2014

Particulars	Note	As At	
		March 31, 2014	March 31, 2013
<b>I EQUITY AND LIABILITIES</b>			
<b>1 SHAREHOLDERS' FUNDS</b>			
(a) Share capital	2	1,76,00,00,000	1,60,00,00,000
(b) Reserves and surplus	3	2,85,77,53,564	1,94,93,74,667
		<b>4,61,77,53,564</b>	<b>3,54,93,74,667</b>
<b>2 NON-CURRENT LIABILITIES</b>			
(a) Long-term borrowings	4 (A)	9,31,07,10,000	7,58,92,57,749
(b) Other long term liabilities	5	42,33,35,193	38,32,80,702
		<b>9,73,40,45,193</b>	<b>7,97,25,38,451</b>
<b>3 CURRENT LIABILITIES</b>			
(a) Current maturities of long-term debt	4 (B)	15,32,28,800	6,12,65,451
(b) Short-term borrowings	6	50,00,00,000	-
(c) Other current liabilities	7	2,16,88,22,488	1,39,14,36,531
(d) Short-term provisions	8	17,836	35,840
		<b>2,82,20,69,124</b>	<b>1,45,27,37,822</b>
<b>TOTAL</b>		<b>17,17,38,67,881</b>	<b>12,97,46,50,940</b>
<b>II ASSETS</b>			
<b>1 NON CURRENT ASSETS</b>			
(a) Fixed assets	9		
(i) Tangible assets		53,31,161	69,16,758
(ii) Intangible assets under development		17,00,44,27,457	12,70,07,05,434
		<b>17,00,97,58,618</b>	<b>12,70,76,22,192</b>
(b) Long-term loans and advances (net)	10		
		<b>2,49,51,693</b>	<b>16,71,43,073</b>
<b>2 CURRENT ASSETS</b>			
(a) Cash and cash equivalents	11	2,99,73,032	2,95,18,990
(b) Short-term loans and advances	12	9,03,51,081	3,33,58,346
(c) Other current assets	13	1,88,33,457	3,70,08,339
		<b>13,91,57,570</b>	<b>9,98,85,675</b>
<b>TOTAL</b>		<b>17,17,38,67,881</b>	<b>12,97,46,50,940</b>

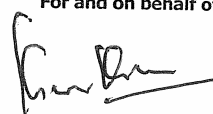
Note 1 to 25 forms part of the financial statements.

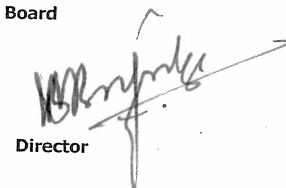
As per our report of even date attached  
**For Gianender & Associates**  
 Chartered Accountants  
 Firm Registration no. 004661N

**Ramesh Koul**  
 Partner  
 Membership Number: 77804

Place: New Delhi  
 Date: May 26, 2014

For and on behalf of the Board

  
**Managing Director**

  
**Director**

Place: Mumbai  
 Date: May 26, 2014

PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED

Statement of Profit and Loss for the year ended March 31, 2014

Particulars		Note	Year ended March 31, 2014	Year ended March 31, 2013
I	Revenue from operations		-	-
II	Total revenue		-	-
III	Expenses			
	Finance costs	14	9,87,504	22,728
	Administrative and general expenses	15	69,93,929	21,47,322
	<b>Total expenses</b>		<b>79,81,433</b>	<b>21,70,050</b>
IV	<b>Profit / (Loss) before tax (II-III)</b>		<b>(79,81,433)</b>	<b>(21,70,050)</b>
V	Tax expense:			
	(1) Current tax		-	-
	(2) Tax relating to earlier period		-	-
	(3) Deferred tax		-	-
	<b>Total tax expenses (V)</b>		<b>-</b>	<b>-</b>
VI	<b>Profit / (Loss) for the period (IV-V)</b>		<b>(79,81,433)</b>	<b>(21,70,050)</b>
	Earnings per equity share (Face value per share Rupees 10/-):	16		
	(1) Basic (not annualised)		(0.00)	(0.01)
	(2) Diluted (not annualised)		(0.00)	(0.01)

Note 1 to 25 forms part of the financial statements.

As per our report of even date attached

For Gianender & Associates

Chartered Accountants

Firm Registration No. 004661N

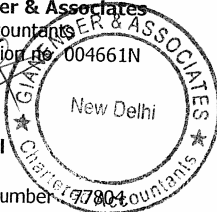
*Ramesh Koul*

Partner

Membership Number: 77804

Place: New Delhi

Date: May 26, 2014



For and on behalf of the Board

*Ramesh Koul*

Managing Director

*B. S. Jindal*

Director

Place: Mumbai

Date: May 26, 2014

PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED

Cash Flow Statement for the year ended March 31, 2014

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
<b>Cash Flow from Operating Activities</b>		
Profit / (Loss) Before Tax	(79,81,433)	(21,70,050)
<b>Adjustments for :-</b>		
Operating profit / (Loss) before Working Capital Changes	<b>(79,81,433)</b>	<b>(21,13,805)</b>
<b>Adjustments / changes in working capital:</b>		
Decrease / (Increase) in Other current assets, other non-current assets & Trade receivables	-	-
(Decrease) / Increase in Other current liabilities, other non-current liability & Trade payables	-	4,92,520
<b>Cash Generated from Operating Activities</b>	<b>(79,81,583)</b>	<b>(16,21,285)</b>
Payment of Taxes	(1,09,66,032)	(71,465)
<b>Net Cash generated / (used) in Operating activity (A)</b>	<b>(1,89,47,615)</b>	<b>(16,92,750)</b>
<b>Cash flow from Investing Activities</b>		
Interest received	-	30,37,841
Purchase of Tangible Fixed Assets other than road	-	(8,92,500)
Purchase of development Fixed Assets (Including intangible assets)	(3,38,57,41,442)	(5,30,37,50,737)
<b>Net Cash (used in) / generated from Investing Activities (B)</b>	<b>(3,38,57,41,442)</b>	<b>(5,30,16,05,396)</b>
<b>Cash flow from Financing Activities</b>		
Issue of Equity Share Capital	20,80,00,000	-
Proceeds from Long Term Borrowings	1,81,34,15,600	4,23,04,23,200
Proceeds from Short Term Borrowings	50,00,00,000	18,80,00,000
Repayment of Short Term Borrowings	-	(35,00,00,000)
Interest and finance expense	1,53,67,168	(69,96,51,722)
Grant Received	86,83,60,330	1,96,11,72,291
<b>Net Cash from Financing Activities (C)</b>	<b>3,40,51,43,098</b>	<b>5,32,99,43,769</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>4,54,042</b>	<b>2,66,45,623</b>
Cash and Cash Equivalents at the beginning of the year	2,95,18,990	28,73,367
Cash and Cash Equivalent at the end of the period	2,99,73,032	2,95,18,990
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>4,54,042</b>	<b>2,66,45,623</b>

Footnote:

Components of Cash & Cash Equivalent	Year ended March 31, 2014	Year ended March 31, 2013
Cash on hand	63,67,381	1,846
Balances with Banks in current accounts	2,36,05,651	2,95,17,144
Fixed deposits placed for a period less than 3 months	-	-
Fixed deposits placed for a period exceeding 3 months	2,99,73,032	2,95,18,990
<b>Cash and Cash Equivalents as per Balance Sheet</b>	<b>2,99,73,032</b>	<b>2,95,18,990</b>

Note 1 to 25 forms part of the financial statements.

As per our report of even date attached  
For Gianender & Associates

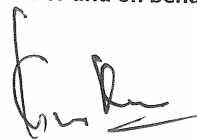
Chartered Accountants

Firm Registration No. 0046511

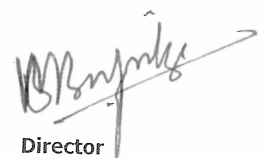
**Ramesh Kour**  
Partner  
Membership Number - 77804

Place: New Delhi  
Date: May 26, 2014

For and on behalf of the Board



Managing Director



Director

Place: Mumbai  
Date: May 26, 2014

# PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED

Notes to Financial Statement 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. The Company follows the accrual basis of accounting.

### 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. Fixed assets other than project assets (Pune-Sholapur Road Development Project) are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.
- b. The acquisition cost includes the purchase price (excluding refundable taxes) and expenses directly attributable to the asset to bring the asset to the site and in the working condition for its intended use. Such as, delivery and handling costs, installation, legal services and consultancy services.
- 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. . However, where there is other than temporary delay due to reasons beyond the control of the Company, the management may treat constructed portion of the road as completed project.
- d. Estimated value of components removed or not reused are reduced from the gross block and the cost of overlay or renewal expenses incurred to increase serviceability and throughput or which are in the nature of preservation costs and which extend the original useful life of the road are capitalised on a component basis.
- e. For depreciation on fixed assets other than Pune-Sholapur Road, 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:



# PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED

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

Asset Type	Useful Life
Computers	4 Years
Specialised Office Equipment	3 Years
Assets Provided to Employees	3 Years
Licensed Software	Over the license period

- f. 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(c) and (d) 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 depreciated fully in the year of capitalization.
- i. Intangible Asset under Development:

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. 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. 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.

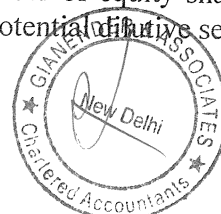
#### 5. Revenue Recognition

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.

#### 6. 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.



# PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED

Notes to Financial Statement for year ended March 31, 2014

## 7. 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.

## 8. 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".

## 9. Preliminary Expenditure

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

## 10. 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.

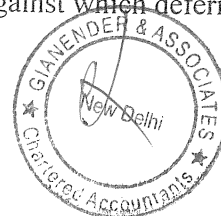
All other liabilities are classified as Non-current.

## 11. 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.





# PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED

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

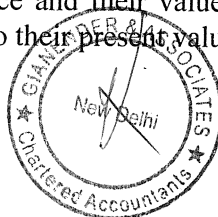
The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

### 12. 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.

### 13. 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.



**PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED**

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

**Note 2: Share capital**

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	₹	Number	₹
<b>Authorised</b>				
Equity Shares of Rupees 10/- each	20,00,00,000	2,00,00,00,000	16,00,00,000	1,60,00,00,000
<b>Issued</b>				
Equity Shares of Rupees 10/- each	17,60,00,000	1,76,00,00,000	16,00,00,000	1,60,00,00,000
<b>Subscribed and Paid up</b>				
Equity Shares of Rupees 10/- each fully paid (Refer footnotes i, ii and iii)	17,60,00,000	1,76,00,00,000	16,00,00,000	1,60,00,00,000
<b>Total</b>	<b>17,60,00,000</b>	<b>1,76,00,00,000</b>	<b>16,00,00,000</b>	<b>1,60,00,00,000</b>

**Foot Notes:**

**i. Terms / Rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. Each holder of these ordinary shares are entitled to receive dividends as and when declared by the company. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportionate to the number of equity shares held by the shareholders. Of the above, 160,000,000 (previous year 160,000,000) shares are held by the IL&FS Transportation Networks Limited, being the Holding Company.

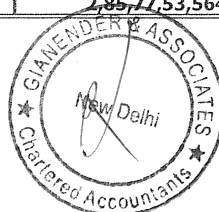
Particulars	As at March 31, 2014		As at March 31, 2013	
	Equity Shares		Equity Shares	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the period / year	16,00,00,000	1,60,00,00,000	16,00,00,000	1,60,00,00,000
Shares issued during the period / year	1,60,00,000	16,00,00,000	-	-
Shares bought back during the period / year	-	-	-	-
Shares outstanding at the end of the period / year	17,60,00,000	1,76,00,00,000	16,00,00,000	1,60,00,00,000

iii. Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited & Its Nominees	16,00,00,000	90.91%	16,00,00,000	100.00%
East Nippon Expressway Company (Nexco)	1,60,00,000	9.09%	-	-
<b>Total</b>	<b>17,60,00,000</b>	<b>100.00%</b>	<b>16,00,00,000</b>	<b>100.00%</b>

**Note 3 : Reserves and surplus**

Particulars	As at March 31, 2014		As at March 31, 2013	
		₹		₹
<b>(a) Securities Premium Account</b>				
Opening balance	-	-	-	-
(+) Securities premium credited on Share issue	4,80,00,000	4,80,00,000	-	-
(-) Premium utilised for various reasons	-	-	-	-
<b>(b) Capital Reserve</b>				
Grant from National Highways Authority of India				
Opening balance	1,96,11,72,291	-	-	-
(+) Current year addition	86,83,60,330	2,82,95,32,621	1,96,11,72,291	1,96,11,72,291
(-) Written back in current period/ year	-	-	-	-
Closing Balance				
<b>(c) Profit / (Loss) Surplus</b>				
Opening balance	(1,17,97,624)	(96,27,574)	(96,27,574)	(1,17,97,624)
(+) Profit for the current period / year	(79,81,433)	(1,97,79,057)	(21,70,050)	(1,17,97,624)
<b>Total</b>		<b>2,85,77,53,564</b>		<b>1,94,93,74,667</b>



**PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED**

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

**Note 4: (A) Long-term borrowings**

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Term Loans (i) Secured From banks		9,31,07,10,000		7,58,92,57,749
<b>Total</b>		<b>9,31,07,10,000</b>		<b>7,58,92,57,749</b>

**Note 4 : (B) Current Maturities of Long-term debt Break-up**

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Term Loans (i) Secured From banks		15,32,28,800		6,12,65,451
<b>Total</b>		<b>15,32,28,800</b>		<b>6,12,65,451</b>

**Footnotes:**

Secured by hypothecation of:

(i) All movable, tangible and intangible assets other than the Project Assets;

(ii) All the monies lying in Escrow Account into which all the investments in the Project and all Project revenues, Receivables, Cash and insurance proceeds in Project accounts, Debt Service Reserve Account and any other bank accounts relating to/connected with the Project and all rights, title, interest, benefits, claims and demands whatsoever of the Borrower in, to, under and in respect thereof and all monies including all cash flows and receivables and all proceeds arising from / in connection with the Project and all insurance proceeds payable into the said accounts, which have been/are deposited / credited / lying therein, all investments, assets, instruments and securities which represent amounts in the said accounts, both present and future, provided such charge over the Escrow Account shall only be to the extent permissible as per the water fall of priorities specified in the Concession Agreement and Escrow Agreement.

(iii) All contractual rights, assignment rights, applicable permits, title, interest, benefits, claims and demands whatsoever of the Borrowers in, to under and or in respect of all the Project Agreements including agreements, contracts, indemnities, guarantees, and all other documents/writings in respect of the Project and all licences, security, permits, approvals and consents in respect of the Project which are now executed or hereafter to be executed and delivered by the Borrower, including, without limitation, the right to compel performance thereunder, and to be substituted for the Borrower therein, and to commence and conduct either in the name of the Borrower or in its own name or otherwise any proceedings against any Person in respect of any breach of, the Project

Agreements, including without limitation, rights to recover payments and/or collect any receivables pertaining thereto, and the right to claim the benefits of all rights, entitlements, claims and powers of the Borrower thereunder and enforce the same, including any claims of the Borrower under or in any proceedings against any person(s) in connection therewith; and together with the right to further assign any of the Project Agreements and/or any rights thereunder provided such assignment is limited to and to arise to the extent provided under Substitution Agreement.

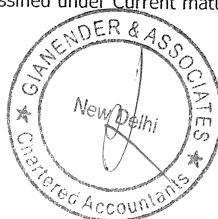
(iv) All rights under project guarantees obtained pursuant to construction, development contract or operations contract if any relating to the project provided such assignment shall be limited to and to arise to the extent provided under the Substitution Agreement

(v) Debt Service Reserve Account and other Sub account required to be created by the Borrower under any project Agreement or contract provided such assignment / charge shall be guided by the provision of the Escrow Agreement and limited only to the extent of water fall of priorities permissible as provided in the Escrow Agreement.

**Repayment Schedule:**

FY ending	Repayment in	% repaid	Amount of Debt Repayment in ₹	
			As at March 31, 2014	As at March 31, 2013
2013	( 1 quarterly instalment )		-	-
2014	( 4 quarterly instalment )	0.80%	7,57,87,298	6,12,65,451
2015	( 4 quarterly instalment )	1.60%	15,15,74,595	12,25,30,902
2016	( 4 quarterly instalment )	3.60%	34,10,42,840	27,56,94,530
2017	( 4 quarterly instalment )	5.00%	47,36,70,611	38,29,09,069
2018	( 4 quarterly instalment )	7.20%	68,20,85,679	55,13,89,059
2019	( 4 quarterly instalment )	9.60%	90,94,47,572	73,51,85,413
2020	( 4 quarterly instalment )	12.00%	1,13,68,09,465	91,89,81,766
2021	( 4 quarterly instalment )	14.80%	1,40,20,65,007	1,13,34,10,844
2022	( 4 quarterly instalment )	16.47%	1,56,02,70,991	1,26,13,02,474
2023	( 4 quarterly instalment )	16.47%	1,56,02,70,991	1,26,13,02,474
2024	( 3 quarterly instalment )	12.36%	1,17,09,13,749	94,65,51,219
<b>Total</b>		<b>99.90%</b>	<b>9,46,39,38,800</b>	<b>7,65,05,23,200</b>

Term loan of ₹ 15,32,28,800/- which is repayable during 1/04/2014 to 31/03/2015 is classified under Current maturity of long term debt. (Previous year ended March 31, 2013 ₹ 6,12,65,451/- which is repayable during 1/04/2013 to 31/3/2014)



**PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED**

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

**Note 5: Other long term liabilities**

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Others				
To related parties	41,42,58,636		37,45,23,904	
To others	90,76,557	42,33,35,193	87,56,798	38,32,80,702
<b>Total</b>		<b>42,33,35,193</b>		<b>38,32,80,702</b>

**Note 6: Short-term borrowings**

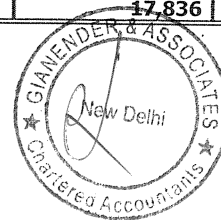
Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Short term loans				
(i) Unsecured				
To related parties		50,00,00,000		-
<b>Total</b>		<b>50,00,00,000</b>		<b>-</b>

**Note 7: Other current liabilities**

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Interest accrued but not due on borrowings				
To related parties	1,53,67,169		-	
To others	-	1,53,67,169	-	-
(b) Advance received				
From related parties	-		-	
From others	5,92,81,198	5,92,81,198	-	-
(c) Statutory Dues		87,66,541		2,82,77,821
(d) Other Current Liabilities				
To related parties	2,04,00,47,915		1,31,91,88,429	
To others	4,53,59,665	2,08,54,07,580	4,39,70,281	1,36,31,58,710
<b>Total</b>		<b>2,16,88,22,488</b>		<b>1,39,14,36,531</b>

**Note 8: Short-term provisions**

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Provision for Wealth tax		17,836		35,840
<b>Total</b>		<b>17,836</b>		<b>35,840</b>

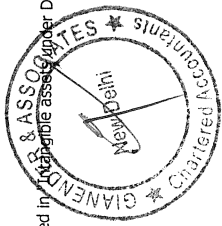


**PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED**  
Notes forming part of the Financial Statements for the year ended March 31, 2014

**Note 9 : Fixed Assets**

Particulars	Gross block				As at April 1st 2013	As at March 31, 2014	As at April 1st 2013	Depreciation		Net block	
	As at April 1st 2013	Additions	Disposals	As at March 31, 2014				Charge for the period	On disposals	As at March 31, 2014	As at March 31, 2013
a) Tangible assets											
Land	8,92,500	-	-	8,92,500	-	-	-	-	-	8,92,500	8,92,500
Vehicles	1,49,10,648	-	-	1,49,10,648	15,50,627	-	1,04,71,990	-	-	44,38,658	59,89,285
Data processing equipments	1,56,900	-	-	1,56,900	34,970	-	1,56,897	-	-	3	34,973
<b>Total</b>	<b>1,59,60,048</b>	<b>-</b>	<b>-</b>	<b>1,59,60,048</b>	<b>15,85,597</b>	<b>-</b>	<b>1,06,28,887</b>	<b>-</b>	<b>-</b>	<b>53,31,161</b>	<b>69,16,758</b>
b) Intangible assets											
Capital work-in-progress	-	-	-	-	-	-	-	-	-	-	-
c) Intangible assets under Development (Refer footnote)											
	12,70,07,05,434	4,30,37,22,023	-	17,00,44,27,457	-	-	-	-	-	17,00,44,27,457	12,70,07,05,434
<b>Grand Total</b>	<b>12,71,66,65,482</b>	<b>4,30,37,22,023</b>	<b>-</b>	<b>17,02,03,87,505</b>	<b>15,85,597</b>	<b>-</b>	<b>1,06,28,887</b>	<b>-</b>	<b>-</b>	<b>17,00,97,58,618</b>	<b>12,70,76,22,192</b>
Previous Year	6,58,10,24,331	6,13,56,41,151	-	12,71,66,65,482	21,31,555	-	90,43,290	-	-	12,70,76,22,192	6,57,41,12,596

Footnote:  
Depreciation on assets used during the construction period ₹ 15,85,597/- (March 31, 2013 ₹ 21,31,555/-) has been included in 'Intangible assets under Development'.



Note 10: Long-term loans and advances

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Capital Advances				
Unsecured, considered good				
To related parties	2,07,12,232		16,71,39,573	
To others	30,43,000	2,37,55,232	-	16,71,39,573
(b) Security Deposits				
Unsecured, considered good	11,96,461	11,96,461	3,500	3,500
<b>Total</b>		<b>2,49,51,693</b>		<b>16,71,43,073</b>

Note 11: Cash and cash equivalents

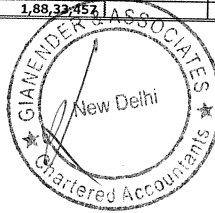
Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Cash and cash equivalents				
Cash on hand	63,67,381		1,846	
Balances with Banks in current accounts	2,36,05,651		2,95,17,144	
Balances with Banks in deposit accounts	-	2,99,73,032	-	2,95,18,990
<b>Total</b>		<b>2,99,73,032</b>		<b>2,95,18,990</b>

Note 12: Short-term loans and advances

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Other loans and advances				
Unsecured, considered good				
- Mobilisation & pre-construction advance recoverable	3,53,20,757		1,55,32,757	
- Prepaid expenses	10,75,593		13,04,964	
- Advance payment of taxes (net of provision)	2,24,14,699		1,14,48,667	
- WCT Credit Available	59,61,345		-	
- Other loans and advances	2,55,78,687	9,03,51,081	50,71,958	3,33,58,346
<b>Total</b>		<b>9,03,51,081</b>		<b>3,33,58,346</b>

Note 13: Other current assets

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Receivable from NHAI		1,88,33,457		3,70,08,339
<b>Total</b>		<b>1,88,33,457</b>		<b>3,70,08,339</b>



**PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED**

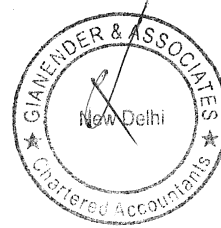
Notes forming part of the Financial Statements for the year ended March 31, 2014

**Note 14: Finance costs**

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Interest expenses				
(b) Other borrowing costs				
Guarantee commission	-		-	
Finance charges	9,87,504	9,87,504	22,728	22,728
<b>Total</b>		<b>9,87,504</b>		<b>22,728</b>

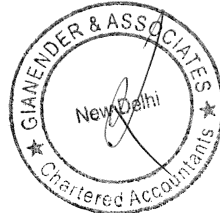
**Note 15: Administrative and general expenses**

Particulars	As at March 31, 2014		As at March 31, 2013	
Legal and consultation fees		31,50,110		5,56,421
Travelling & Conveyance		5,10,914		1,16,804
Rates and taxes		4,39,798		8,149
Registration expenses		13,28,000		250
Insurance		-		51
Printing and stationery		60,722		-
Directors' fees		4,38,204		3,70,000
Auditors remuneration		10,23,240		8,75,239
Miscellaneous expenses		42,941		2,20,408
<b>Total</b>		<b>69,93,929</b>		<b>21,47,322</b>



Note 16: Earnings per equity share

Particulars	Unit	Year ended March 31, 2014	Year ended March 31, 2013
Profit after tax and minority interest	₹	(79,81,433)	(21,70,050)
Premium on preference shares	₹	-	-
Tax on premium on preference shares	₹	-	-
Profit available for Equity Shareholders	₹	(79,81,433)	(21,70,050)
Weighted number of Equity Shares outstanding	Numbers	1,60,35,06,849	16,00,00,000
Nominal Value of equity shares	₹	10	10
Basic Earnings per share	₹	(0.00)	(0.01)
Equity shares used to compute diluted earnings per share	Numbers	1,60,00,00,000	16,00,00,000
Diluted Earnings per share	₹	(0.00)	(0.01)





**Note 17: Contingent liabilities and capital commitments**

**A) Contingent liabilities :**

Particulars (Name of party & description)		As at March 31, 2014	As at March 31, 2013
<b>Capital Commitments</b>			
<b>IL&amp;FS Transportation Networks Limited</b>			
1	Estimated amount of contracts to be executed on capital account and not provided for (net of capital advances in respect of mobilisation)	69,02,65,880	1,62,06,26,201
2	Estimated amount of contracts to be executed till final project completion date, on Operation & Maintenance (Base price ₹ 62,000,000/- for base year 2009, escalated @ 5% p.a. upto the end of concession period) and not provided for	7,91,29,457	-
<b>Other Commitments</b>			
<b>IL&amp;FS Transportation Networks Limited</b>			
1	Estimated amount of contracts to be executed on Project Management cost (upto the end of construction period) and not provided for	-	3,00,00,000
2	Estimated amount of contracts to be executed from final project completion date, on Operation & Maintenance (Base price ₹ 62,000,000/- for base year 2009, escalated @ 5% p.a. upto the end of concession period) and not provided for	2,07,59,06,249	2,18,98,27,101
<b>IL&amp;FS Trust Company Limited</b>			
1	Estimated amount of contracts to be executed on security trusteeship fees (upto the end of repayment of last installment of term loan) and not provided for	50,00,000	55,00,000

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

Sr No	Name of Auditors	Description	As at March 2014	As at March 2013
1	Gianender & Associates	Statutory Fees	2,50,000	2,50,000
2	Gianender & Associates	Other Fess	6,21,896	5,06,45
3	Gianender & Associates	Reimbursement	38,784	4,00
4	Gianender & Associates	Service Tax On Above	1,12,560	1,14,78
			<b>10,23,240</b>	<b>8,75,239</b>



**PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED**

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

**Note 18: Related Party Statement**

**Related party Disclosures as per AS-18 on "Related Party Disclosure" in respect of the Company as on March 31, 2014 are as follows :**

Name of the related parties and description of relationship:

Nature of Relationship	Name of Entity	Acronym used
Ultimate Holding Company	Infrastructure Leasing & Financial Services Limited	IL&FS
Holding Company	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries of Holding Company (with whom there have been transactions during the period)	IL&FS Trust Company Limited	ITCL
	Elsamex India Private Limited	Elsamex
Key Management personnel	K R Khan	

Transactions / Balances with related parties as mentioned above

Account head	ITNL	ITCL	Elsamex
<b>Balances as at March 31, 2014 :</b>			
Road Development cost payable(under Head Trade Payables)	2,03,10,47,915 <i>(1,31,91,88,429)</i>	- <i>(-)</i>	- <i>(-)</i>
Project Management fees payable(under Head Trade Payables)	90,00,000 <i>(10,48,92,000)</i>	- <i>(-)</i>	- <i>(-)</i>
Retention Money payable (under Head Trade Payables)	41,42,58,636 <i>(37,45,23,904)</i>	- <i>(-)</i>	- <i>(-)</i>
Mobilisation advance given	2,07,12,232 <i>(16,71,39,573)</i>	- <i>(-)</i>	- <i>(-)</i>
Equity share capital	1,60,00,00,000 <i>(1,60,00,00,000)</i>	- <i>(-)</i>	- <i>(-)</i>
Short Term Loan taken	50,00,00,000 <i>(-)</i>	- <i>(-)</i>	- <i>(-)</i>
Interest Accured but Not Due	1,53,67,169 <i>(-)</i>	- <i>(-)</i>	- <i>(-)</i>

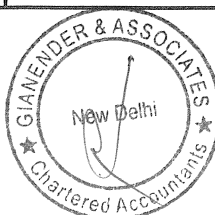
**Foot Note:**

Figures in Brackets represent figures as at March 31, 2013

Transactions :	ITNL	ITCL	Elsamex
Project Management fees charge	5,00,00,000 <i>(21,56,83,325)</i>	- <i>(-)</i>	- <i>(-)</i>
Road Development cost charge	3,37,62,78,398 <i>(5,18,92,14,166)</i>	- <i>(-)</i>	- <i>(-)</i>
Operation & Maintenance Expenses	3,47,91,395 <i>(-)</i>	- <i>(-)</i>	82,01,025 <i>(-)</i>
Short Term Loan taken	50,00,00,000 <i>(18,80,00,000)</i>	- <i>(-)</i>	- <i>(-)</i>
Short Term Loan paid	18,80,00,000 <i>(35,00,00,000)</i>	- <i>(-)</i>	- <i>(-)</i>
Interest on Short Term Loan paid/accrued	1,86,47,370 <i>(1,26,53,314)</i>	- <i>(-)</i>	- <i>(-)</i>
Mobilisation advance adjusted	14,64,27,341 <i>(47,58,17,349)</i>	- <i>(-)</i>	- <i>(-)</i>
Deputation Cost	8,73,911 <i>(-)</i>	- <i>(-)</i>	- <i>(-)</i>
Guarantee Commission	41,03,050 <i>(-)</i>	- <i>(-)</i>	- <i>(-)</i>

**Foot Note:**

Reimbursement of cost is not included above



**PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED**

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

**Note 19: Segment Information**

The Company is engaged in the business detailed in Note no 1 and thus operates in a single business segment. Also it operates in a single geographical segment. In the absence of separate reportable business or geographical segments, the disclosures required under Accounting Standard (AS)-17 on "Segment Reporting" specified by the Central Government are not applicable.

**Note 20 : Details of Grant**

From / Purpose	Sanctioned Grant Amount	Received	Utilised	Unutilised
National Highways Authority of India (NHAI) Equity Support Grant	2,85,00,00,000	2,82,95,32,621	2,82,95,32,621	-

**Note 21: Directors' Remuneration**

The Directors have been paid sitting fees for the Board and Committee meetings attended by them.

**Note 22: Deferred Tax**

In accordance with the Accounting Standard on "Accounting for Taxes on Income" (AS-22), deferred tax assets and liability should be recognised for all timing differences in accordance with the said standard. However considering the present financial position and requirements of the said Accounting Standard-22 regarding certainty/virtual certainty, the carried forward losses is not provided for as an asset. However the same will be re-assessed at subsequent Balance Sheet date and will be accounted for in the year of certainty/virtual certainty in accordance with the aforesaid Accounting Standard.

**Note 23: 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. 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.

**Note 24:**

Company has no employees on its rolls hence disclosure under AS-15 is not applicable

**Note 25:**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached.

**For Gianender & Associates**

Chartered Accountants

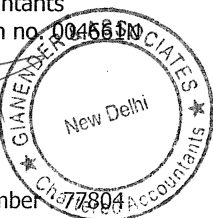
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**Ramesh Koul**

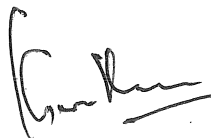
Partner

Membership Number Char7894

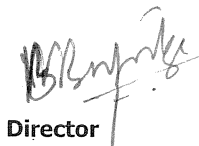


Place: New Delhi

Date: May 26, 2014

**For and on behalf of the Board**


Managing Director



Director

Place: Mumbai

Date: May 26, 2014