

## Independent Auditor's Report

### To the Members of Thiruvananthapuram Road Development Company Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of **Thiruvananthapuram Road Development Company Limited** ('the Company'), which comprise the balance sheet as at 31<sup>st</sup> March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

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

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

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

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



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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2016 and its loss and its cash flows for the year ended on that date.

### **Emphasis of Matter**

We draw attention to Note No. 27 regarding the appropriateness of the going concern basis used for the preparation of these financial statements, as the validity of the going concern basis would depend upon the Annuity and Claim receivable from Kerala Road Fund Board ("KRFB") and the financial support from parent company. These financial statements do not include adjustments that would result from either non receipt of the annuity and Claim from the KRFB.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) The going concern matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - (f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and



- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the pending litigation and impact on its financial position in the financial statement – Refer Note 22 of Financial Statements;
  - ii. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Lakhani & Co. LLP  
Chartered Accountants  
Firm Regn. No. 105524W / W-100031



*Parag Modi*  
(Parag Modi)  
Partner  
M.No.114105

Place : Mumbai  
Date : May 6, 2016

**Annexure - A to the Independent Auditor's Report**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Thiruvananthapuram Road Development Company Limited** on the financial statements for the year ended 31st March, 2016], we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, all the assets have been physically verified, at intervals, by the management, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, Company does not have any immovable Property hence sub-clause (c) of clause 3(i) of the order is not applicable.
- (ii) The Company's nature of operation does not require it to hold inventories. Accordingly, sub-clauses (a), (b) and (c) of clause 3(ii) of the Order is not applicable.
- (iii) The Company has not granted any loan secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, sub-clause (a), (b) and (b) of clause 3(iii) of the Order is not applicable.
- (iv) the company has not given any loans and has not made any investments during the year. Accordingly clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from public within the meaning of the provisions of Sections 73 and 76 or any other relevant provisions of the act, and the rules framed there under.
- (vi) According to the information and explanations given to us, the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 is not prescribed considering the level of activities of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of



customs, service tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues in respect of Income Tax, Sales Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute except for the following

Name of the Statute	Nature of Dues	Amount in ₹	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Demand Under section 156	67,350	Assessment Year 2011-12	Company is in process of filling appeals before CIT(A) against the order.

- (viii) (ix) According to the records of the company examined by us and information and explanations given to us, the Company has not defaulted in repayment of dues to bank. The Company has not borrowed from any financial institutions.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the year. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.




(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place : Mumbai  
Date : May 6, 2016



For Lakhani & Co. LLP  
Chartered Accountants  
Firm Regn. No. 105524W / W-100031

  
(Parag Modi)  
Partner  
M.No.114105

**Annexure - B to the Independent Auditor's Report**

[Referred to in paragraph 2 (g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Thiruvananthapuram Road Development Company Limited** on the financial statements for the year ended 31st March, 2016]

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Thiruvananthapuram Road Development Company Limited** ("the Company") as of 31<sup>st</sup> March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Mumbai  
Date : May 6, 2016



For Lakhani & Co. LLP  
Chartered Accountants  
Firm Regn. No. 105524W / W-100031

  
(Parag Modi)  
Partner  
M.No.114105



**THIRUVANANTHAPURAM ROAD DEVELOPMENT COMPANY LIMITED**

CIN : U45203MH2004PLC144789

**Balance Sheet** as at March 31, 2016

Particulars	Note	As At	
		March 31, 2016	March 31, 2015
<b>I EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
(a) Share capital	2	34,06,00,700	34,06,00,700
(b) Reserves and surplus	3	(40,75,76,786)	(29,67,68,006)
		(6,69,76,086)	4,38,32,694
<b>NON-CURRENT LIABILITIES</b>			
(a) Long-term borrowings	4	1,05,49,04,154	1,16,20,89,684
(b) Other long term liabilities	4A	14,096	-
		1,05,49,18,250	1,16,20,89,684
<b>CURRENT LIABILITIES</b>			
(a) Short-term borrowings	5	94,55,00,000	77,95,00,000
(b) Trade payables	6	6,52,18,885	3,52,50,183
(c) Other current liabilities	7	94,24,25,927	75,36,61,298
		1,95,31,44,812	1,56,84,11,481
<b>TOTAL</b>		<b>2,94,10,86,976</b>	<b>2,77,43,33,859</b>
<b>II ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
(a) Fixed assets	8		
(i) Tangible assets		1,85,73,81,135	2,06,10,34,835
(ii) Capital work-in-progress		84,10,73,736	49,51,44,204
		2,69,84,54,871	2,55,61,79,039
(b) Long-term loans and advances	9	2,56,13,981	2,85,67,136
(c) Other non-current assets	10	1,24,54,542	1,42,35,863
		3,80,68,523	4,28,02,999
<b>CURRENT ASSETS</b>			
(a) Trade receivables	11	6,32,54,970	6,51,51,320
(b) Cash and Cash equivalents	12	10,25,27,002	6,47,74,465
(c) Short-term loans and advances	13	1,76,76,538	2,50,17,068
(d) Other current assets	14	2,11,05,072	2,04,08,968
		20,45,63,582	17,53,51,821
<b>TOTAL</b>		<b>2,94,10,86,976</b>	<b>2,77,43,33,859</b>

Notes 1 to 30 form part of the financial statements.

In terms of our report of even date.

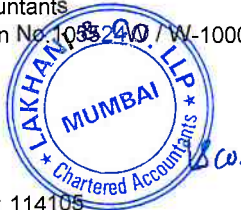
**For LAKHANI & CO. LLP**

Chartered Accountants

Firm Registration No. 105240/W-100031

*Parag Modi*  
Parag Modi  
Partner

Membership No: 114105



For Thiruvananthapuram Road Development Company Limited

*[Signature]*  
Managing Director

*[Signature]*  
Director

*[Signature]*  
Chief Financial Officer

Date : May 06, 2016  
Place : Mumbai

**Statement of Profit and Loss** for the year ended March 31, 2016

₹

Particulars	Note	Year ended March 31, 2016	Year ended March 31, 2015
<b>I REVENUE FROM OPERATIONS</b>	<b>15</b>	34,20,53,889	29,19,67,838
<b>II OTHER INCOME</b>	<b>16</b>	33,02,487	21,16,919
<b>III TOTAL REVENUE (I + II)</b>		<b>34,53,56,376</b>	<b>29,40,84,757</b>
<b>IV EXPENSES</b>			
(a) Operating expenses	<b>17</b>	6,32,37,046	6,18,85,142
(b) Employee benefit expenses	<b>18</b>	2,55,881	1,91,489
(c) Finance costs	<b>19</b>	18,41,89,078	9,75,58,959
(d) Administrative and general expenses	<b>20</b>	2,20,71,494	85,85,580
(e) Depreciation and amortization expense	<b>8</b>	18,64,11,657	14,20,15,067
<b>TOTAL EXPENSES</b>		<b>45,61,65,156</b>	<b>31,02,36,237</b>
<b>V Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)</b>		<b>(11,08,08,780)</b>	<b>(1,61,51,480)</b>
<b>VI TAX EXPENSE:</b>			
(a) Current tax		-	-
(b) Tax relating to earlier year		-	-
(c) Deferred tax		-	-
<b>TOTAL TAX EXPENSES (VI)</b>		<b>-</b>	<b>-</b>
<b>VII PROFIT/(LOSS) FOR THE PERIOD (V-VI)</b>		<b>(11,08,08,780)</b>	<b>(1,61,51,480)</b>
Earnings per equity share (Face value per share Rupees 10/-):	<b>21</b>		
(1) Basic		(3.25)	(0.47)
(2) Diluted		(3.25)	(0.47)

Notes 1 to 30 form part of the financial statements.

In terms of our report of even date.

**For LAKHANI & Co. LLP**

Chartered Accountants

Firm Registration No.105524W / W-100031

  
**Parag Modi**

Partner

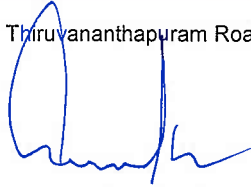
Membership No: 114105

Date : May 06, 2016

Place : Mumbai



For Thiruvananthapuram Road Development Company Limited

  
Managing Director

  
Director

  
Chief Financial Officer

**THIRUVANANTHAPURAM ROAD DEVELOPMENT COMPANY LIMITED**

CIN : U45203MH2004PLC144789

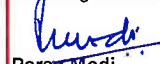
**Cash Flow Statement for the year ended March 31, 2016**

	Year Ended March 31, 2016	Year Ended March 31, 2015
₹		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) Before Tax	(11,08,08,780)	(1,61,51,480)
Adjustments for		
Depreciation	18,64,11,657	14,20,15,067
Interest on short term deposit	(21,85,260)	(21,16,919)
Provision for Doubtful Debts	-	-
Interest & Finance Expenses	18,41,89,078	9,75,58,959
<b>Operating profit/(Loss) before Working Capital Changes</b>	<b>25,76,06,695</b>	<b>22,13,05,627</b>
<b>Adjustments for changes in working capital:</b>		
(Increase) / Decrease in Other Current, Other Non-Current Assets & Trade Receivables	1,02,77,951	2,51,91,257
Increase / (Decrease) in Other Current, Other Non-Current Liabilities & Trade Payables	3,49,95,404	3,08,23,271
<b>Cash Generated from Operating Activities</b>	<b>30,28,80,050</b>	<b>27,73,20,155</b>
Payment of Taxes	29,05,155	(45,44,538)
<b>Net Cash Generated / (Used) in Operating Activities (A)</b>	<b>30,57,85,205</b>	<b>27,27,75,617</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including Capital Work in progress	(23,97,37,156)	(24,65,46,449)
Proceeds of Fixed Assets	1,94,21,756	-
(Increase) / Decrease in Capital Work in progress	-	-
Interest Received	20,93,114	28,08,156
<b>Net Cash Generated / (Used) in Investing Activities (B)</b>	<b>(21,82,22,286)</b>	<b>(24,37,38,293)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	24,29,00,000	35,35,00,000
Repayment of Borrowings	(16,83,77,686)	(18,66,39,672)
Interest and Finance Charges Paid	(12,43,32,696)	(14,07,66,324)
<b>Net Cash from Financing Activities (C)</b>	<b>(4,98,10,382)</b>	<b>2,60,94,004</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>3,77,52,537</b>	<b>5,51,31,328</b>
Cash and Cash Equivalent at the beginning of the Year (Note No.12)	6,47,74,465	96,43,137
Cash and Cash Equivalent at the end of the period (Note No.12)	10,25,27,002	6,47,74,465
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>3,77,52,537</b>	<b>5,51,31,328</b>

<b>Notes:</b>		
<b>Components of Cash &amp; Bank Balances</b>		
Cash on Hand	21,751	11,512
Balance with Scheduled Banks - Current Accounts	4,65,05,251	77,62,953
Balance with Scheduled Banks in term deposits (maturity less than 3 months)	5,60,00,000	5,70,00,000
	10,25,27,002	6,47,74,465
Fixed deposits placed for periods exceeding 3 months	25,000	25,000
Cash and bank balance	10,25,52,002	6,47,99,465

Notes 1 to 30 form part of the financial statements.

 As per our report of even date  
 For LAKHANI & Co.  
 Chartered Accountants  
 Firm Registration No.105524W

  
**Parag Modi**  
 Partner  
 Membership No: 114105

 Date : May 06, 2016  
 Place: Mumbai

For Thiruvananthapuram Road Development Company Limited

  
**Managing Director**
  
**Director**
  
**Chief Financial Officer**

**Notes** forming part of the financial statements for the year ended March 31, 2016

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

**I BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

The financial statement is prepared in accordance with the Generally Accepted Accounting Principles in India, Accounting Standards as per section 133 of the Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules 2014. The Company generally follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties or otherwise accounted for on cash basis.

**II 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. Future results could differ from these estimates.

**III FIXED ASSETS AND DEPRECIATION/AMORTISATION**

Roads are stated at cost less accumulated depreciation. The Company capitalizes all the expenses incurred on the completed phase of the Thiruvananthapuram City Roads Improvement Project including direct and attributable / allocable indirect expenses till Commercial Operations Date (COD).

Depreciation on respective completed phases of Thiruvananthapuram City Road Improvement Project (TCRIP/ the Project) is provided over the period of 15 years from respective Commercial Operations Date /Substantial Completion Date ("COD"/"SCD") of various phases.

Overlay cost included in the cost of Road is depreciated over the period of 5 years from COD.

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

Assets purchased on or after April 1, 2014 are depreciated on Straight Line Method, over the useful life of assets as prescribed under Schedule II of the Companies Act 2013.

The residual value of all the assets is retained at ₹ 1/- each

**IV IMPAIRMENT OF ASSETS**

The carrying values of assets of the Company's cash-generating units 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 value in use of the cash-generating units. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

**V BORROWING COST**

In respect of a financial asset borrowing costs attributable to construction of the road are charged to Profit & Loss Account in the period in which such costs are incurred.

**VI REVENUE RECOGNITION**

- a. The Concession Agreement envisages Revenue in the form of semi-Annual payments of Annuity of a fixed sum on pre-determined dates. The company's right to Annuity is established once the Commercial Operation Date ("COD") is achieved. The Annuity Income is recognised on a time proportion basis provided it is not unreasonable to expect ultimate collection. and its accounted net of VAT
- b. Revenue from ancillary and additional work is recognised when it is realised or realisable and earned. Revenue is considered as realised or realisable and earned when it has persuasive evidence of an arrangement, delivery has occurred, the price is fixed or determinable and collectability is reasonably assured. and its accounted
- c. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable provided it is not unreasonable to expect ultimate collection.

**VII Employee Benefits:**

**a. Short Term**

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

**b. Long Term**

The Company has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees.



**Notes** forming part of the financial statements for the year ended March 31, 2016

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

**(i) Defined-contribution plans**

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund, family pension fund and superannuation fund. The Company's payments to the defined contribution plans are reported as expenses in the period in which the employees perform the services that the payment covers.

**(ii) Defined-benefit plans**

Expenses for gratuity is calculated as at the balance sheet date in a manner that distributes expenses over the employee's working life.

**VIII TAXATION**

Current tax is determined on the basis of the amount of tax payable in respect of taxable income for the period.

Deferred tax is calculated at current statutory income tax rate and is recognised, subject to the consideration of prudence, on timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets are recognised on unabsorbed depreciation and carry forward of losses only to the extent that there are timing differences, the reversal of which will result in sufficient income or there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date.

**IX PROVISIONS AND CONTINGENCIES**

A provision is recognised when the Company has a present legal or constructive 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.

**X EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit after tax for the year attributable to equity shareholder of the Company by the weighted Average number of shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholder of the Company by the weighted Average number of shares outstanding during the period adjusted for the effects of all dilutive potential equity shares.

**XI CASH AND CASH EQUIVALENTS:**

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

**XII CASH FLOW STATEMENTS**

The Cash-flow Statements are prepared in accordance with "indirect method" as explained in the Accounting Standard on Cash Flow Statements (AS-3) on cash flow statements

**XIII CURRENT/NON-CURRENT ASSETS AND LIABILITIES:**

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

- a) It is expected to be realized within 12 months after the reporting date,
- b) It is held for trading purpose

All other assets are classified as Non-current

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

- c) It is expected to be settled within 12 months after the reporting date,
- d) It is held for trading purpose

All other liabilities are classified as Non-current



**THIRUVANANTHAPURAM ROAD DEVELOPMENT COMPANY LIMITED**
**Notes** forming part of the financial statements for the year ended March 31, 2016

**NOTE 2 : SHARE CAPITAL**

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	₹	Number	₹
<b>Authorised</b> Equity Shares of Rupees 10/- each	35,000,000	350,000,000	35,000,000	350,000,000
<b>Issued, Subscribed and Paid up</b> Equity Shares of Rupees 10/- each fully paid (refer foot note no. i, ii, and iii)	34,060,070	340,600,700	34,060,070	340,600,700
<b>TOTAL</b>	<b>34,060,070</b>	<b>340,600,700</b>	<b>34,060,070</b>	<b>340,600,700</b>

**FOOT NOTES:**

(i) 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. The company declares and pays dividends in Indian rupees. The dividend, if any proposed, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2016, no dividend is declared by Board of Directors. (Previous period - Nil)"

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period/year

Particulars	As at March 31, 2016		As at March 31, 2015	
	Equity Shares		Equity Shares	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year	34,060,070	340,600,700	34,060,070	340,600,700
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	34,060,070	340,600,700	34,060,070	340,600,700

(iv) Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited	17,030,000	50.00%	17,030,000	50.00%
Punj Lloyd Limited	17,030,000	50.00%	17,030,000	50.00%
<b>TOTAL</b>	<b>34,060,000</b>	<b>100.00%</b>	<b>34,060,000</b>	<b>100.00%</b>

**FOOT NOTE:** Companies holding shares are having Significant Influence over the reporting enterprises

**NOTE 3: RESERVES AND SURPLUS**

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>(a) Profit / (Loss) Surplus</b>				
Opening balance	(296,768,006)		(280,616,526)	
(+) Profit/(Loss) for the current year	(110,808,780)	(407,576,786)	(16,151,480)	(296,768,006)
<b>TOTAL</b>		<b>(407,576,786)</b>		<b>(296,768,006)</b>



Notes forming part of the financial statements for the year ended March 31, 2016

NOTE 4 : LONG - TERM BORROWINGS

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Term Loans				
(i) Secured				
From banks (refer foot note below)	711,404,154		818,589,684	
From others	-	711,404,154	-	818,589,684
(b) Loans and Advances from related parties				
(i) Unsecured				
From related parties (refer foot note below)	343,500,000	343,500,000	343,500,000	343,500,000
<b>TOTAL</b>		<b>1,054,904,154</b>		<b>1,162,089,684</b>

FOOT NOTES:

TERM LOANS FROM BANKS

1) Term loans from banks are secured by hypothecation of assets under Phase I.

(i) tangible and movable properties (including plant and machinery) both present and future.

(ii) Annuity revenues and receivables (excluding bonus for early completion).

(iii) All Project agreements, all guarantees, performance guarantees or bonds, letters of credit, Applicable Permits, plant rights, titles, approvals, permits, clearances and interests under the Project Agreement.

(iv) Right, interest, benefit and claim under the Insurance Contracts and Insurance Proceeds.

(v) Intangible assets including but not limited to goodwill.

(vi) All bank accounts including Trust and Retention Account and all monies from time to time deposited therein and

2) Term loans from banks are secured by hypothecation of assets under Phase II & III.

(i) All tangible and movable assets receivable cash and investment created part as of the project

(ii) All monies laying in Escrow account into which investment in the project and all project revenues and insurance proceeds are to be deposited.

(iii) All rights, titles, benefits claims and demands of borrower under the Project Agreement.

(iv) All right under the project guarantees obtained pursuant to construction contracts or Operations contract.

(v) Security by way of assignment of all insurance policies in relation to the project and insurance proceeds

3) Interest rates prevailing during the year

Interest rate for phase I @ 11.25%

Interest rate for phase II @ 11.50%

Interest rate for phase III @ 11.75%

Repayment Schedule:

Secured Loans Disbursed by bank is ₹. 74,14,51,000/- for phase I

In 24 unequal half yearly installments commencing from May 15, 2007 and terminating on November 15, 2018:

Secured Loans Disbursed by bank is ₹.84,02,00,000/- for phase II

Secured Loans Disbursed by bank is ₹.25,19,00,000/-for phase III

In 36 unequal quarterly installments commencing from December 31, 2011 and terminating on September 30, 2020: Phase II

In 35 unequal quarterly installments commencing from March 31, 2015 and terminating on September 30, 2023: Phase III

Repayment Schedule:

Unsecured Loans (Subdebt) Commitment is ₹. 34,35,00,000/- for phase II & III

Unsecured Loans (Subdebt) Disbursed till September 30, 2014 is ₹. 34,35,00,000/-(P.Y. ₹.34,35,00,000/-) for phase II & Phase III and Interest rate charges

@ 14%

In 4 equal semi-annual installments commencing from March 31, 2022

FY	Secured Loan from Banks	Unsecured Loan from related party (Subdebt)
	Repayment Schedule	Repayment Schedule
2015-2016		-
2016-2017	166,414,904	-
2017-2018	223,568,949	-
2018-2019	209,714,929	-
2019-2020	133,974,929	-
2020-2021	79,700,669	-
2021-2022	34,077,809	
2022-2023	16,421,654	
2023-2024	13,945,217	85,875,000
2024-2025	-	171,750,000
2025-2026	-	85,875,000
	<b>877,819,058</b>	<b>343,500,000</b>

(Note :Of the above, ₹.16,64,14,904/- (Previous Period ₹. 15,07,07,060/-) repayable during period 01.04.2016 to 31.03.2017 is classified under "Other Current Liabilities" as "Current Maturity of Long Term Debt")

NOTE 4A : LONG - TERM PROVISIONS

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Provision for employee benefits	14,096	14,096	-	-
<b>TOTAL</b>		<b>14,096</b>		<b>-</b>



THIRUVANANTHAPURAM ROAD DEVELOPMENT COMPANY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2016

NOTE 5: SHORT-TERM BORROWINGS

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Loans and advances from related parties				
Unsecured				
(i) IL&FS Transportation Networks Limited (ITNL)	945,500,000	945,500,000	779,500,000	779,500,000
<b>Total</b>		<b>945,500,000</b>		<b>779,500,000</b>

NOTE 6 : TRADE PAYABLES

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Trade Payables (Refer footnote (a) below)				
- Due to Related Party	64,059,398		34,090,696	
- Others	1,159,487		1,159,487	
		65,218,885		35,250,183
<b>TOTAL</b>		<b>65,218,885</b>		<b>35,250,183</b>

FOOT NOTE:

(a) The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium enterprises Development Act, 2006 and hence disclosures, if any relating to amount unpaid as at the year end together with interest paid/payable as required under the said Act have not been furnished.

NOTE 7: OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Interest accrued but not due on borrowings	481,900,504		349,885,036	
(b) Interest accrued but due on borrowings	3,006,986		-	
(c) Advance annuity from KRFB for Phase - I	30,152,597		29,728,177	
(d) Current maturities of long-term debt	166,414,904		150,707,060	
(e) Sundry Creditor for capital goods	239,431,336		206,423,708	
(f) Unadjusted Award of KRFB (Refer Note no 24 (g) & 25)	16,528,144		16,528,144	
(g) Statutory Liabilities	4,991,455	942,425,927	389,173	753,661,298
<b>TOTAL</b>		<b>942,425,927</b>		<b>753,661,298</b>





THIRUVANANTHAPURAM ROAD DEVELOPMENT COMPANY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2016

NOTE 8: FIXED ASSETS

	Gross block			Accumulated depreciation			Net block		
	Balance as at April 1st, 2015	Additions	Adjustments	Deductions	Balance as at March 31, 2016	Depreciation charged for the period/year	Deductions	Balance as at March 31, 2016	Net block Balance as at March 31, 2015
a) Tangible assets									
Road	2,81,74,67,058	21,79,713	-	2,38,87,371	2,79,57,59,400	18,63,57,278	44,65,615	1,85,72,55,799	2,05,08,55,120
Vehicles	3,68,028	-	-	-	3,68,028	54,380	-	1,25,336	1,79,716
<b>TOTAL OF TANGIBLE ASSETS</b>	<b>2,81,78,35,086</b>	<b>21,79,713</b>	<b>-</b>	<b>2,38,87,371</b>	<b>2,79,61,27,428</b>	<b>18,64,11,658</b>	<b>44,65,615</b>	<b>1,85,73,81,135</b>	<b>2,06,10,34,836</b>
b) Capital work-in-progress	49,51,44,204	34,59,29,532	-	-	84,10,73,736	-	-	84,10,73,736	49,51,44,204
d) Intangible assets under Development (refer foot note no. i)									
<b>GRAND TOTAL (a+b)</b>	<b>3,31,29,79,290</b>	<b>34,81,09,245</b>	<b>-</b>	<b>2,38,87,371</b>	<b>3,63,72,01,164</b>	<b>18,64,11,658</b>	<b>93,87,46,293</b>	<b>2,69,84,84,871</b>	<b>2,55,61,79,040</b>
AS AT March 31, 2015	2,84,45,58,090	1,15,49,92,592	4,49,73,255	74,15,98,138	3,31,29,79,290	14,20,16,067	75,68,00,250	2,65,61,79,040	-



**Notes** forming part of the financial statements for the year ended March 31, 2016

**NOTE 9: LONG-TERM LOANS AND ADVANCES**

₹

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>(a) Security Deposits</b>				
Unsecured, considered good	4,24,808	4,24,808	4,72,808	4,72,808
<b>(b) Other loans and advances</b>				
Unsecured, considered good				
- Advance payment of taxes (net of provision)	2,51,89,173	2,51,89,173	2,80,94,328	2,80,94,328
<b>TOTAL</b>		<b>2,56,13,981</b>		<b>2,85,67,136</b>

**NOTE 10: OTHER NON CURRENT ASSET**

₹

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>(a) Long term Trade Receivables</b>				
Unsecured, considered good				
- Others (due for a period More than six months)	86,00,417	86,00,417	1,07,45,340	1,07,45,340
<b>(b) Other non-current assets</b>				
-Unbilled revenue	38,29,124		34,65,523	
Fixed Deposits placed for a period exceeding 12 months	25,000		25,000	
(Note: Deposit with Commerical Tax Officer - Kerala )		38,54,124		34,90,523
<b>TOTAL</b>		<b>1,24,54,541</b>		<b>1,42,35,863</b>

**NOTE 11: TRADE RECEIVABLE**

₹

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>(a) Trade receivables outstanding for a period less than six months from the date they are due for payment</b>				
Unsecured, considered good				
- Related party	3,13,500		3,07,080	
- Others	6,26,31,360	6,29,44,860	6,39,23,000	6,42,30,080
<b>(b) Trade receivables outstanding for a period more than six months from the date they are due for payment</b>				
Unsecured, considered good				
- Related party	3,10,110	3,10,110	9,21,240	9,21,240
<b>TOTAL</b>		<b>6,32,54,970</b>		<b>6,51,51,320</b>

**NOTE 12: CASH AND CASH EQUIVALENTS**

₹

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>(a) Cash and cash equivalents</b>				
Cash on hand	21,751		11,512	
Bank Balance in current accounts	4,65,05,251		77,62,953	
Bank Fixed Deposits placed for a period less than 3 months	5,60,00,000	10,25,27,002	5,70,00,000	6,47,74,465
<b>TOTAL</b>		<b>10,25,27,002</b>		<b>6,47,74,465</b>



**Notes** forming part of the financial statements for the year ended March 31, 2016

**NOTE 13: SHORT-TERM LOANS AND ADVANCES**

₹

Particulars	As at March 31, 2016		As at March 31, 2015	
	(a) <b>Loans and advances</b> Unsecured, considered good - Advance recoverable in Cash or kind	1,76,76,538	1,76,76,538	2,50,17,068
<b>TOTAL</b>		<b>1,76,76,538</b>		<b>2,50,17,068</b>

**NOTE 14: OTHER CURRENT ASSETS**

₹

Particulars	As at March 31, 2016		As at March 31, 2015	
	(a) Prepaid expenses	65,272		76,478
(b) Interest accrued on term deposits	3,54,997		4,47,143	
(c) Annuity accrued but not due	2,06,84,804	2,11,05,072	1,98,85,347	2,04,08,968
<b>TOTAL</b>		<b>2,11,05,072</b>		<b>2,04,08,968</b>



**Notes** forming part of the financial statements for the year ended March 31, 2016

**NOTE 15: REVENUE FROM OPERATIONS**

₹

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
<b>(a) Income from services</b>				
Advisory and project management fees	6,00,000		12,00,000	
Annuity Income from KRFB	30,29,46,646	30,35,46,646	24,84,90,717	24,96,90,717
<b>(b) Other Operating Income</b>				
Income From Ancillary work	3,85,07,243	3,85,07,243	4,22,77,121	4,22,77,121
<b>TOTAL</b>		<b>34,20,53,889</b>		<b>29,19,67,838</b>

**NOTE 16: OTHER INCOME**

₹

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
<b>(a) Interest Income</b>				
Interest on bank deposits	21,85,260	21,85,260	21,16,919	21,16,919
<b>(b) Other non-operating income</b>				
Interest on Income Tax refund	11,17,227	11,17,227	-	-
<b>TOTAL</b>		<b>33,02,487</b>		<b>21,16,919</b>



THIRUVANANTHAPURAM ROAD DEVELOPMENT COMPANY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2016

NOTE 17: OPERATING EXPENSES

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
(a) Operating Expenses				
Expenses towards Ancillary work	3,26,56,738		3,80,15,846	
Routine Maintenance	3,05,80,308		2,38,69,296	
		6,32,37,046		6,18,85,142
<b>TOTAL</b>		<b>6,32,37,046</b>		<b>6,18,85,142</b>

Note 18: EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
(a) Salaries and wages	2,24,820		1,80,612	
(b) Contribution to provident and other funds	10,635		9,672	
(c) Staff welfare expenses	20,426	2,55,881	1,205	1,91,489
<b>TOTAL</b>		<b>2,55,881</b>		<b>1,91,489</b>

Footnote: (Disclosure to be given as per AS-15)

(i) Employee benefit obligations:

(A) Defined-contribution plans

(i) The Company offers its employees defined contribution benefits in the form of provident fund, family pension fund and superannuation fund. Provident fund, family pension fund and superannuation fund cover substantially all regular employees. Contributions are paid during the year into separate funds under certain statutory / fiduciary-type arrangements. While both the employees and the Company pay predetermined contributions into the provident fund and pension fund, contributions to superannuation fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary.

(ii) A sum of ₹ 10,635/- (previous year ₹ 9,672) has been charged to the Statement of Profit and Loss in this respect.

(B) Defined-benefit plans:

The Company offers its employee gratuity (a lump sum amount). Amounts payable under gratuity are based on years of service rendered and the employee's eligible compensation (immediately before retirement).

NOTE 19: FINANCE COSTS

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
(a) Interest expenses				
Interest on loans for fixed period	17,99,28,785		9,25,29,113	
		17,99,28,785		9,25,29,113
(b) Other borrowing costs				
Finance charges	42,60,293		50,29,846	
		42,60,293		50,29,846
<b>TOTAL</b>		<b>18,41,89,078</b>		<b>9,75,58,959</b>



**THIRUVANANTHAPURAM ROAD DEVELOPMENT COMPANY LIMITED**

**Notes** forming part of the financial statements for the year ended March 31, 2016

**NOTE 20: ADMINISTRATIVE AND GENERAL EXPENSES**

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
Legal and consultation fees	9,64,640		12,15,113	
Travelling and conveyance	4,18,424		1,47,462	
Rates and taxes	43,34,989		46,83,823	
Insurance	5,75,031		5,91,708	
Printing and stationery	850		-	
Directors' fees	3,70,000		1,10,000	
Loss on sale of fixed assets (net)	1,34,21,757		-	
Payment to auditor (Refer foot note)	18,34,816		14,93,378	
Miscellaneous expenses	1,50,987	2,20,71,494	3,44,096	85,85,580
<b>TOTAL</b>		<b>2,20,71,494</b>		<b>85,85,580</b>

**FOOT NOTE :-**

**Breakup of payment to Auditor :**

Particulars	Year ended	Year ended
	March 31, 2016	March 31, 2015
a For Audit fees	3,45,000	3,00,000
b For Taxation Matter	4,22,500	3,25,300
c For Tax Audit & Transfer Pricing Audit	4,02,380	2,75,000
d For Other Services	4,40,500	4,28,800
e Service tax on above	2,24,436	1,64,279
<b>TOTAL</b>	<b>18,34,816</b>	<b>14,93,379</b>



**Notes** forming part of the financial statements for the year ended March 31, 2016

**NOTE 21: EARNINGS PER EQUITY SHARE**

Particulars	Unit	Year ended March 31, 2016	Year ended March 31, 2015
Profit / (Loss) available for Equity Shareholders	₹	(110,808,780)	(16,151,480)
Weighted number of Equity Shares outstanding	Numbers	34,060,070	34,060,070
Nominal Value of equity shares	₹	10	10
Basic Earnings per share	₹	(3.25)	(0.47)
Equity shares used to compute diluted earnings per share	Numbers	34,060,070	34,060,070
Diluted Earnings per share	₹	(3.25)	(0.47)

**NOTE 22: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS & OTHER INFORMATION**

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

₹

Particulars	Year ended March 31, 2016	As at March 31, 2015
Estimated amount of contracts remaining on capital account and not provided for (Various Contractor)	59,685,412	176,153,756
Estimated amount of contracts to be executed on Operation & Maintenance (ITNL)	531,407,320	561,987,628
Estimated amount of contracts to be executed on overlay (ITNL)	86,310,977	94,053,775

B) Contingent Liabilities:

₹

Particulars	Year ended March 31, 2016	As at March 31, 2015
Claims against the Company not acknowledged as debts Income tax demands contested by the Company	67,350	26,829,470



THIRUVANANTHAPURAM ROAD DEVELOPMENT COMPANY LIMITED

**Notes** forming part of the financial statements for the year ended March 31, 2016

**NOTE 23: RELATED PARTY STATEMENT**

**CURRENT / PREVIOUS**

Disclosures as required by the Accounting Standard (AS) 18 – “Related Party Disclosures” are made below:

(A) Name of the related parties and description of relationship:

Holding Company of the Company having Significant influence:	Infrastructure Leasing & Financial Services Limited (IL&FS)
Companies having Significant Influence over the reporting enterprise:	IL&FS Transportation Networks Limited (ITNL)
Companies having Significant Influence over the reporting enterprise:	Punj Lloyd Limited (PLL)
Key Management Personnel:	Mr. Anil Kumar Pandala (Managing Director)
	Mr. Rajesh Gone (Chief Financial Officer)

(B) Transactions for the:

Nature of Transaction		Year ended March 31, 2016	Year ended March 31, 2015
Project Management & Suoerision Fees	ITNL	1,90,04,358	1,87,41,684
Routiine Maintenance Charges	ITNL	3,05,80,308	2,38,69,296
Periodic Maintenance Charges	ITNL	77,42,798	-
Unsecured Short Term loan taken	ITNL	16,60,00,000	17,85,00,000
Interest on Unsecured Loan - Sub Debts	ITNL	4,82,21,761	4,80,90,007
Interest on Unsecured Loan - Short Term Loan	ITNL	11,28,35,608	9,49,97,974
Director Sitting Fees	Mr. Anil Kumar Pandala	40,000	25,000

(C) Balances outstanding as at :

Balance Outstanding		As at March 31, 2016	As at March 31, 2015
Current liability payable (Net)	ITNL	24,86,29,018	19,39,75,821
Interest accrued on Sub Debts & Short Term Loan	ITNL	47,14,53,452	33,63,52,799
Short Term Loan Taken	ITNL	94,55,00,000	77,95,00,000
Sub Debts Taken	ITNL	34,35,00,000	34,35,00,000
Equity	ITNL	17,03,00,700	17,03,00,700
Equity	PLL	17,03,00,700	17,03,00,700





## Thiruvananthapuram Road Development Company Limited

**Notes** forming part of the financial statements for the year ended March 31, 2016

### NOTE 24:- NATURE OF OPERATIONS:

The Company has been set up to develop, widen, strengthen, operate, construct and maintain the Thiruvananthapuram City Roads Improvement Project (TCRIP) under the Annuity Concession Agreement. The Annuity Concession Agreement entered into between the Company and Government of Kerala on March 16, 2004, conferred the right to implement the project and recover the project cost and operating cost including returns thereon by way of a fixed annuity amount payable semi-annually over 17.5 periods of concession period.

The Scheduled Project Completion Date (SPCD) for the Thiruvananthapuram City Road Improvement Project (TCRIP/the Project) was November 15, 2006 as per the Concession Agreement (CA) dated March 16, 2004. On account of delay in land delivery in accordance with the CA, the completion of the Thiruvananthapuram City Road Improvement Project (TCRIP/the Project) has been delayed. The Company had submitted a detailed plan/proposal for completion of the TCRIP to the Government of Kerala (GoK), based on revised land delivery schedule. The detailed plan/proposal included the revised cost of completion based on prevailing market rates and cost incurred on the Project by the Company on construction and incidental expenses. Accordingly a supplementary agreement was signed with Kerala Road Fund Board (KRFB) on January 4, 2008. The following are the salient features of the said supplemental agreement:

- (a) GoK has provided financial assistance of Rs 15 Crores to the Company in the form of advance annuity, in two equal instalments to partly meet the cost of the project.
- (b) The Project is divided into three phases based on the progress achieved so far. The stretches of roads which are substantially completed as per the Schedule DD of the Original Concession Agreement is identified as Phase – I. The remaining project as per the provisions of Original Agreement shall be the Phase – II & III.
- (c) The commercial operations of the Phase – I commenced on 5th January 2008, the date on which the project Engineer has issued the Provisional Certificate/ Completion Certificate in accordance with the provisions of Article 1.1 of Original Concession Agreement.
- (d) The Concessing Authority has not handed over 85% of the length of the total project site as per Schedule B of the Original Agreement. However the construction activities pertaining to road stretches under Phase – II & III has already been started.
- (e) The Supplementary Concession Agreement entitles the Company to earn an annuity of 30 equal instalments of ₹. 59,00,000/- each at half yearly rests for the Phase - I, the first instalment due on 5th January, 2008 and the final instalment payable on 5th July, 2022.
- (f) The Company shall operate and maintain the project for a period of 15 years starting from COD.
- (g) The Company formed for the construction and maintenance of the road project was unable to complete the entire road project as the timelines to hand over encumbrance free land, were never met by the KRFB. In addition the land stretches handed over were too small and provided too late to justify the economics of the road project, under annuity. Despite the follow up by the Company with KRFB, there were no adequate satisfactory responses from KRFB to hand over encumbrance free land.

Considering the incomplete portion of the project, idling of resources, cost of capital, cost of increase in material due to price escalation and mobilization & demobilization to construct the road, the company had informed KRFB that it would be constrained to terminate the contract. Subsequently the Company and KRFB agreed to resolve through arbitration, to ensure the project is completed. The arbitration award was received in favour of the Company amounting to Rs 124.97 crores in the financial year 2009-2010.

Since the delivery of the project site could not be achieved by KRFB as per the revised schedule agreed under the Resumption agreement, the project got further delayed. Since both the company and KRFB were keen to complete the project, a new supplement agreement was entered into on 1st May, 2009. The revised project details as per new agreement are as follows

The Concessionaire shall operate and maintain the Project/Project Facilities in accordance with the original agreement for period of 15 years after completion of the project Phase as given in the table below or till termination of these agreement. The concession period of Phase I, which has been accepted as complete by the Concessing Authority, will continue as per Resumption Agreement.

Phase	Length	SPCD	O &M period
Phase II	18.00	18 months from Commencement Date	15 years from SPCD of Phase II
Phase III	9.799	24 months from Date of handing over Project Site free from encumbrance	15 years from SPCD of Phase III

Company has achieved substantial completion of work for 15.739 Kms. as on 22.02.2012 vide substantial completion certificate dated 08.11.2012 and proportionate annuity of Rs. 6.59 Crores have been awarded to the Company. On 20.02.2015 Company has received substantial provisional completion certificate issued by the Kerala Road Fund Board (KRFB) and certify by Independent Engineer dated 20.02.2015 for 7.6 Kms under Phase III.



## Thiruvananthapuram Road Development Company Limited

**Notes** forming part of the financial statements for the year ended March 31, 2016

### NOTE 25

As mentioned in note 24 (g) above, due to delay in land delivery in accordance with the Concession Agreement and as per revised land delivery schedule, Company filed for arbitration proceedings in Oct-08. During the financial year 2008-09 the arbitral tribunal granted the Company an award of Rs. 124.95 crores in respect of its claim, towards increase in cost of construction and idling of resource payable to contractor. The portion of the award intended to compensate the Company for increased costs arising from the delay is included as a part of Current Liabilities. During the period of construction this sum shall be credited to the cost of the project, to the proportion in which the cost incurred bears to the estimated project cost for completing the balance work on the project.

### NOTE 26: SEGMENT REPORTING

The Company is engaged in the business detailed in Note 24 above 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 No. 27

As per the Concession Agreement, the concession period was for a period of 17.5 years from the appointed date i.e. March 15, 2004 during which period the company would be eligible for a maximum of 30 (Thirty) annuities commencing from Commercial Operation Date ('COD'). There has been delay in achieving the COD by over 8.5 years for reasons attributable to the authority and hence the Company is of the view that it is eligible for all 30 (Thirty) annuities. Further, the company has also preferred claims with the authority. Considering these facts, the carrying amount of its assets is not less than its recoverable value and will be able to meet its current & future liabilities. The promotor of the Company has agreed to provide financial support to the Company. Based on the foregoing, the Financial Statements are prepared on a going concern basis.

### NOTE 28

Sundry Debtors and Sundry Creditors are subject to balance confirmations and reconciliation, if any

### NOTE 29: DEFERRED TAX:

The Company has not recognised deferred tax asset due to the absence of virtual certainty of earning taxable income in future.

### NOTE 30: PREVIOUS PERIOD/YEAR

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

In terms of our report of even date.

For **LAKHANI & CO.LLP**

Chartered Accountants

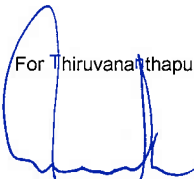
Firm Registration No.105524W / W-100031



Parag Modi  
Partner  
Membership No: 114105

Date : May 06, 2016

Place : Mumbai



Managing Director



Director



Chief Financial Officer

For Thiruvananthapuram Road Development Company Limited