

**3<sup>RD</sup> ANNUAL REPORT  
2013-14**

OF

**KNR MUZAFFARPUR BARAUNI TOLLWAY  
PRIVATE LIMITED**

CIN:U45209TG2011PTC077925

**BOARD OF DIRECTORS**

Shri K Narasimha Reddy

Shri K. Jalandhar Reddy

Shri Ram Kishore Jalan

**AUDITORS**

**M/s. Gianender & Associates**

Chartered Accountants,  
Plot No. 6, Site No. 21,  
Geeta Mandir Marg, New Rajinder Nagar,  
New Delhi - 110060

**REGISTERED OFFICE**

KNR House, 4<sup>th</sup> Floor,  
Plot No. 114, Phase – I, Kavuri Hills  
Hyderabad – 500033  
Andhra Pradesh, India

## NOTICE

Notice is hereby given that the **3<sup>rd</sup> Annual General Meeting** of the members of **KNR Muzaffarpur Barauni Tollway Private Limited** will be held at its registered office at KNR House, 4<sup>th</sup> Floor, Phase – I, Kavuri Hills, Hyderabad 500033 on Saturday, the 28<sup>th</sup> day of September 2014 at 11.30 A.M to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Profit and Loss for the financial year ended 31<sup>st</sup> March, 2014 and the Balance Sheet as on that date together with the Report of the Board of Directors and Auditors thereon.
2. To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. Gianender & Associates., Chartered Accountants, New Delhi be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company.

### SPECIAL BUSINESS

3. Authorisation to Board of Directors for borrowings as per Section 180(1) ( C ) of the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**

“**RESOLVED THAT** pursuant to Section 180(1) (c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of Rs 300 Crores (Rupees Three Hundred Crores) over and above the aggregate of the paid up share capital and free reserves of the Company.”

4. Authorisation to Board of Directors to mortgage and/or create charge on the assets of the Company per Section 180(1) ( a ) of the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**

**“RESOLVED THAT** pursuant to Section 180(1) (a) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to authorize the Board to mortgage and /or create charge to the extent of new Borrowing limits of the Board of Directors, of all or any of the movable or immovable properties both present and future or the whole or substantially the whole of the undertakings of the Company to or in favour of any Financial Institutions, Banks, NBFCs or any other Agencies to secure the term loans and / or other financial assistance that has been or may in future be granted by them to the Company from time to time.”

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company.

**BY ORDER OF THE BOARD**

For KNR Muzaffarpur Baruni Tollway Private Limited

Sd/-

Director

Place: Hyderabad

Date: 26.08.2014

## **NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The instrument appointing proxy should be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
2. Members/proxies are requested to bring the attendance slips duly filled in for attending the meeting and to bring their copies of the Annual Report to the meeting as copies will not be distributed at the meeting.
3. Members desiring to seek any information on the annual accounts are requested to write to the company at an early date to enable compilation of information.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

### **ITEM No. 3 & 4**

At the Extra ordinary General Meeting of the Company held on 28<sup>th</sup> July 2012, the Members had, by way of Ordinary Resolutions and in pursuance of the provisions of Section 293(1)(a) and (d) of the Companies Act, 1956, approved of:

- i. creation of a mortgage or charge for the said borrowings, as security by way of mortgage / hypothecation on the Company's assets in favour of lenders for securing the borrowings including interest, charges, etc. payable thereon and
- ii. borrowing monies on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of Rs.300 crores at any point of time.

Under Section 180 of the Act, the above powers of the Board are required to be exercised only with the consent of the company by a Special Resolution.

The Ministry of Corporate Affairs ("MCA") has vide its General Circular No 4/2014 dated March 25, 2014 clarified that the Ordinary Resolutions passed under Sections 293(1)(a) and 293(1)(d) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act until September 11, 2014.

The approval of the Members for the said borrowings and creation of a mortgage or charge for the said borrowing is therefore now being sought, by way of Special Resolutions, pursuant to Section 180(1)(c) and 180(1)(a) of the Act respectively.

The Directors commend the Resolutions at Item Nos. 3 and 4 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolutions at Item Nos. 3 & 4 of the Notice for approval of the members by a Special Resolution.

**BY ORDER OF THE BOARD**

For KNR Muzaffarpur Baruni Tollway Private Limited

Sd/-

Director

Place: Hyderabad

Date: 26.08.2014

## **DIRECTOR'S REPORT**

**To  
The Members,**

Your Directors take pleasure in presenting the **3<sup>rd</sup> Annual Report** together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2014

<b>Particulars</b>	<b>Amount in Rs. Lakhs</b>
PBT	(4.60)
PAT	(4.60)

### **DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Board of Directors hereby state that

- i) in the preparation of the annual accounts for the year ended March 31, 2014, the applicable accounting standards have been followed along with proper explanations relating to material departure;
- ii) we 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 as at March 31, 2014 and profit for the year ended on that date;
- iii) we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- iv) the accounts for the year ended March 31, 2014 have been prepared on a going concern basis.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO:**

The particulars relating to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo as required under section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are as follows

**a) Conservation of Energy: Not Applicable**

**b) Technology absorption, Adoption and Innovation: Not Applicable**

No technology absorption is involved and there is no import of technology.

**c) Foreign Exchange earnings and outgo - Nil**

**PARTICULARS OF EMPLOYEES:**

There are no employees to whom the provisions of section 217 (2A) of the Companies Act, 1956 will apply.

**AUDITORS:**

The Statutory Auditors of the Company viz., M/s. Gianender & Associates., Chartered Accountants, New Delhi retire at the conclusion of the next Annual General Meeting and being eligible have offered them selves for reappointment to hold office from the conclusion of the this Annual General Meeting till the conclusion of the next Annual General Meeting.

**ACKNOWLEDGEMENTS:**

Your Directors like to place on record their appreciation to the Company's Members for the support and co-operation extended to the Company.

For and on behalf of the Board

Sd/-

Director

Sd/-

Director

Place: Hyderabad

Date: 26.08.2014

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED**

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED**, which comprise the Balance Sheet as at 31<sup>st</sup> March 2014, 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**

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 accounting standards notified under the Companies Act, 1956 read with the general circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**OPINION:**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act 1956 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 31st March 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 case of the Cash flow Statement, of the cash flows for the year ended on that date.



## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report ) Order, 2003 (as amended) ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that :
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 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, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the general circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
  - 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 director is disqualified as on 31<sup>st</sup> March 2014, from being appointed as a director in terms of Para (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

**Place: Hyderabad**  
**Date: 26.05.2014**

**Sd/-**  
**Ravi Kumar Goyal**  
**Partner**  
**M. No: 501246**

**Annexure referred to in paragraph 1 under the heading “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” of our report on even date**

**Re: KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED**

- (i)
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
  - b) The Fixed assets have been physically verified by the management during the year, 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, during the year no substantial disposal of fixed assets of the company has taken place which would have affected its going concern status.
- (ii) The company is engaged in the business of BOT (Toll) on DFBOT pattern and maintenance and hence Para 4 (ii) (a), (b) and (c) of the companies (Auditor’s report) Order 2003 relating to inventory are not applicable.
- (iii)
  - (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. As the company has not granted any loans, secured or unsecured, to any companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 the provision of paragraph 4(iii) (b), (c) and (d) of the Companies (Auditor’s Report) Order, 2003 are not applicable to the Company.
  - (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from any companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. As the company has not taken any loans, secured or unsecured, from any companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, the provision of paragraph 4(iii) (f) and (g) of the Companies (Auditor’s Report) Order, 2003 are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for purchase of fixed assets and for Toll collection. During the course of our audit, we have not observed any major weakness in internal control system. Further, the provision of Paragraph 4(iv) with respect to sale of goods and purchase of inventory are not applicable to the company.
- (v)
  - (a) Based on the audit procedures applied by us and according to the information and explanations given to us, there are no particulars of contracts or arrangement during the year which are required to be entered in the register maintained pursuant to section 301 of the Companies Act, 1956.
  - (b) paragraph 4(ii)(b) of the said order is not applicable, as there are no such transactions during the year.

- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from public. Therefore, the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and relevant rules framed there under are not acceptable to the company.
- (vii) The Company has no internal audit system in place.
- (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, have been made and maintained.
- (ix) (a) The company is generally regular in depositing all undisputed statutory dues relating to Income tax deducted at source, service tax and value added tax etc except delays in remitting TDS amount in few cases. As per records produced before us, there are no undisputed dues which were outstanding as on 31<sup>st</sup> March, 2014 for a period over six month from the date of same become payable.  
  
(b) According to information and explanation given to us, there are no statutory dues pending in respect of income-tax, sales tax, Value Added Tax, service tax, custom duty, wealth tax, excise duty and cess on account of any dispute.
- (x) The Company is in existence for a period less than five period; hence reporting on accumulated losses under Paragraph 4(x) of the companies (Auditor's Report) Order 2003 is not required.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution and banks.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the Company is not a chit fund or a Nidhi / Mutual benefit fund / Society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's report) Order 2003 are not applicable.
- (xiv) In our opinion and according to the information and explanation given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4(xiv) of the Companies (Auditor's report) Order are not applicable the company.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us, and on the basis of books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that the term loan have been utilized for the purposes for which the loan were obtained.

- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) Based on the audit procedures performed and the information and explanations given to us by the management, the Company has not made preferential allotment of shares 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) According to the information and explanations given to us, the Company has not issued debentures during the year. Accordingly, no security or charge needs to be created.
- (xx) According to the information and explanations given to us, the Company has not raised any money by way of public issue during the year.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

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

**Place: Hyderabad**  
**Date: 26.05.2014**

**Sd/-**  
**Ravi Kumar Goyal**  
**Partner**  
**M. No: 501246**

# KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

## BALANCE SHEET AS AT 31ST MARCH 2014

(Rupees in Lakhs)

PARTICULARS	NOTE No.	As At 31-03-2014	As At 31-03-2013
<b>I EQUITY AND LIABILITIES</b>			
<b>1) SHAREHOLDERS' FUNDS</b>			
a) Share Capital	1	5,500.00	3,300.00
b) Reserves and Surplus	2	(4.60)	-
		5,495.40	3,300.00
<b>2) SHARE APPLICATION MONEY PENDING ALLOTMENT</b>		-	1,965.34
<b>3) NON - CURRENT LIABILITIES</b>			
a) Long-term borrowings	3	16,482.00	7,499.11
		16,482.00	7,499.11
<b>4) CURRENT LIABILITIES</b>			
a) Other Current Liabilities	4	1,998.82	3,516.08
		1,998.82	3,516.08
<b>TOTAL</b>		<b>23,976.22</b>	<b>16,280.53</b>
<b>II ASSETS</b>			
<b>1) NON-CURRENT ASSETS</b>			
a) Fixed Assets			
-Tangible Assets		1.64	2.18
-Intangible Assets	5	-	-
-Intangible asset under development		21,905.25	10,227.57
b) Long Term Loans and Advance	6	1,898.17	4,870.79
		23,805.06	15,100.54
<b>2) CURRENT ASSETS</b>			
a) Cash and Cash Equivalents	7	124.54	1,179.76
b) Short-term loans and advances	8	0.23	0.23
c) Other Current Assets	9	46.39	-
		171.16	1,179.99
<b>TOTAL</b>		<b>23,976.22</b>	<b>16,280.53</b>

Significant Accounting Policies 11

See accompanying Notes to financial statements

As per our report of even date attached

**For Gianender & Associates**

Chartered Accountants

(ICAI Registration No.004661N )

**For and on behalf of the Board**

Sd/-

**Ravi Kumar Goyal**

Partner

Membership No:501246

Place: Hyderabad

Date : 26.05.2014

Sd/-

K.Narasimha Reddy

Directors

Sd/-

R.K. Jalan

# KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

(Rupees In Lakhs)

PARTICULARS		NOTE No.	For the Year ended 31.03.2014	For the Year ended 31.03.2013
<b>I</b>	<b>Income</b>			
	Revenue from operations		-	-
	Other income		-	-
	<b>Total Revenue</b>		-	-
<b>II</b>	<b>Expenses:</b>			
	Operating & Maintenance Expenses		-	-
	Employee benefits expense		-	-
	Finance costs		-	-
	Depreciation and amortization expense		-	-
	Audit Fees		4.60	-
	<b>Total expenses</b>		<b>4.60</b>	-
	<b>Profit before tax (I- II)</b>		<b>(4.60)</b>	-
	Tax expense:			
	1) Current tax		-	-
	2) Deferred tax		-	-
	<b>Profit (Loss) for the period</b>		<b>(4.60)</b>	-
	Earnings per equity share:			
	1) Basic		(0.01)	-
	2) Diluted		(0.01)	-

Significant Accounting Policies

11

See accompanying Notes to financial statements

As per our report of even date attached

**For Gianender & Associates**

**For and on behalf of the Board**

Chartered Accountants

(ICAI Registration No.004661N )

Sd/-

**Ravi Kumar Goyal**

Partner

Membership No:501246

Place: Hyderabad

Date : 26.05.2014

Sd/-

K.Narasimha Reddy

Sd/-

R.K. Jalan

Directors

# KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

(Rupees in Lakhs)

PARTICULARS	For the Year ended 31-03-2014	For the Year ended 31-03-2013
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	(4.60)	-
<b>Adjustments for</b>		
Depreciation & Amortisation Expenses	-	-
Preliminary Expenses written off	-	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	(4.60)	-
(Increase)/Decrease in Trade and Other Receivables	-	-
Increase/(Decrease) in Trade Payables and Other Liabilities	-	-
<b>CASH GENERATED FROM OPERATIONS</b>	(4.60)	-
Taxes paid		
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(4.60)</b>	<b>-</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed asset		
- Tangible Asset	-	(2.73)
- Intangible Asset under development	(10,268.17)	(11,581.96)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(10,268.17)</b>	<b>(11,584.69)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Funds Borrowed -sub debt	8,982.89	7,499.11
Issue of Equity Shares	2,200.00	3,299.00
Share Application Money	(1,965.34)	1,965.34
Preliminary Expnses	-	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>9,217.55</b>	<b>12,763.45</b>
	(1,055.22)	1,178.76
Cash and Cash Equivalents as at April 1, 2013 (Opening Balance)	1,179.76	1.00
Cash and Cash Equivalents as at March 31, 2014 (Closing Balance)	124.54	1,179.76

**Notes:**

- 1 Components of Cash & Cash Equivalents

Cash in Hand	1.00	1.00
Bank Balance -Current Account	123.54	1,178.76
- Fixed Deposit	-	-
	<b>124.54</b>	<b>1,179.76</b>
- 2 The Cash flow statement is prepared in accordance with the Indirect Method stated in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities.
- 3 Previous year's figures have been regrouped, wherever necessary.
- 4 Figures in brackets represent cash outflows.
- 5 Notes on accounts stated form an integral part of the Cash Flow Statement.

As per our report of even date attached  
For Gianender & Associates  
Chartered Accountants  
Firm Regn. No.004661N

**For and on behalf of the Board**

Sd/-  
**Ravi Kumar Goyal**  
Partner  
Membership No:501246  
Place: Hyderabad  
Date : 26.05.2014

Sd/-                      Sd/-  
K.Narasimha Reddy      R.K. Jalan  
Directors

**KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

**NOTE 1**

**SHARE CAPITAL**

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of Shares in Lakhs	Rupees in Lakhs	No. of Shares in Lakhs	Rupees in Lakhs
<b>EQUITY SHARE CAPITAL</b>				
<b>Authorised Share capital</b>				
Equity Shares of Rs. 10/- each	550.00	5,500.00	550.00	5,500.00
<b>Issued, subscribed &amp; fully paid up capital</b>				
Equity Shares of Rs. 10/- each Issued at Par	550.00	5,500.00	330.00	3,300.00
<b>Total</b>	<b>550.00</b>	<b>5,500.00</b>	<b>330.00</b>	<b>3,300.00</b>

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 2014, no dividend is declared by Board of Directors. (Previous year - Nil)

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 preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders

**The reconciliation of the number of shares and amount of share capital outstanding as at March 31, 2014 and March 31, 2013 is set out below:**

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of Shares in Lakhs	Rupees in Lakhs	No. of Shares in Lakhs	Rupees in Lakhs
Number of Equity Shares at the beginning	330.00	3,300.00	0.10	1.00
Add:- Number of Shares Issued	220.00	2,200.00	329.90	3,299.00
Less: Number of Shares Brought Back	-	-	-	-
Number of Equity Shares at the end	<b>550.00</b>	<b>5,500.00</b>	<b>330.00</b>	<b>3,300.00</b>

**The details of shareholder holding more than 5% shares as at March 31, 2014 and March 31, 2013 is set out below:**

Name of the shareholder	As at March 31, 2014		As at March 31, 2013	
	No. of Shares in Lakhs	% held	No. of Shares in Lakhs	% held
1 KNR Muzaffarpur Holdings Private limited-Holding Company	275.91	50.17	163.71	49.61
2 JKM Infra Projects Limited	269.50	49.00	161.70	49.00
3 KNR Constructions Limited & its nominee-Ultimate Holding Company	4.59	0.83	4.59	1.39
	<b>550.00</b>	<b>100.00</b>	<b>330.00</b>	<b>100.00</b>



# KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate

Name of Shareholder	Relationship	As at 31st March 2014		As at 31st March 2013	
		No. of Shares held	Rupees in Lakhs	No. of Shares held	Rupees in Lakhs
1 KNR Muzaffarpur Holdings Private limited	Holding Company	275.91	2,759.10	163.71	1,637.10
2 KNR Constructions Limited	Ultimate Holding Company	4.59	45.90	4.59	45.90

### NOTE 2

#### RESERVES AND SURPLUS

Particulars	(Rupees in Lakhs)	
	As At 31-03-2014	As At 31-03-2013
<b>Surplus/(deficit) in the Statement of Profit and Loss</b>		
Balance as per Last Financial Statements	-	-
Add: Profit/(Loss) for the year	(4.60)	-
<b>Total</b>	<b>(4.60)</b>	<b>-</b>

### NOTE 3

#### LONG- TERM BORROWINGS

Particulars	(Rupees in Lakhs)	
	As At 31-03-2014	As At 31-03-2013
<b>SECURED LOANS</b>		
<b>Term Loan</b>		
<b><u>From Banks</u></b> (Refer foot note i)		
a) Rupee Loans		
-Corporation Bank	3,053.00	1,500.00
-Punjab National Bank	6,106.00	3,000.00
-State Bank of Bikaner & Jaipur	3,053.00	1,500.00
-State Bank of Patiala	3,053.00	1,499.11
<b>Sub-Total</b>	<b>15,265.00</b>	<b>7,499.11</b>
<b>UNSECURED LOANS</b>		
<b>Loans and advances from related parties</b>		
From JKM Infra Projects Limited (Refer foot note ii)	1,217.00	-
<b>Sub-Total</b>	<b>1,217.00</b>	<b>-</b>
<b>Total</b>	<b>16,482.00</b>	<b>7,499.11</b>

**KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

**Foot Note - i**

**Terms of Security**

- i. Mortgage /charge over the company's immovable and movable properties (other than project assets but including all receivables) both present and future;
- ii. Charge/assignment of revenues receivables
- iii. Charge over /assignment of the rights, titles and interests of the company in to and in respect of all project agreements (in accordance with concession agreement).
- iv. Assignment of insurance policies, interest, benefits, claims, guarantees ,performance bonds and liquidated damages;
- v. Pledge of 51% of the fully paid up Equity share capital of the company;  
The aforesaid charge will rank Pari - Passu with the mortgages and charges created/to be created in favour of participating institutions/banks.

**Terms of Repayment**

The above loan is repayable in fifty quarterly unequal installments ranging from 0.16 crores to 10.94 crores beginning from 1<sup>st</sup> April, 2015 to 1<sup>st</sup> July, 2027. The numbers of balance installments as on 31<sup>st</sup> March, 2014 are 50. The interest charged by the lenders is in the range of 12% to 12.50%.Interest is payable monthly.

**Foot Note - ii**

Borrowings from JKM Infra Projects Limited are in the nature of sub-debt and are not repayable during the currency of senior debt. There is no stipulation as to interest

**NOTE 4**

**OTHER CURRENT LIABILITIES**

<b>Particulars</b>	<b>(Rupees in Lakhs)</b>	
	<b>As At 31-03-2014</b>	<b>As At 31-03-2013</b>
EPC-Bills Payable-JKM Infra Project Ltd (Associate Company)	1,455.00	2,640.69
Interest accrued and due on borrowings;	154.82	77.38
Retention Deposit - JKM Infra Project Limited	180.30	451.56
Creditors for Expenses to Related Parties	11.28	84.37
<b><u>Outstanding Expenses</u></b>		
Audit Fee payable	4.25	3.37
Consultancy Fee Payable	10.24	2.53
Independent Engineer Fee	23.30	35.72
Salaries Payable	6.61	2.49
Lender Engineer fees Payable	5.06	-
Other Payables *	31.61	0.95
<b><u>Statutory Dues</u></b>		
TDS/TCS	36.82	70.42
VAT / WCT	56.81	86.61
Labour Welfare Cess Payable	22.72	59.99
<b>Total</b>	<b>1,998.82</b>	<b>3,516.08</b>

\* Includes Rs.17.27 lakhs ( Previous Year Nil) payable to JKM Infra Projects Limited for Utility Shifting

**KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

**NOTE 6**

**LONG TERM LOANS AND ADVANCE**

<b>Particulars</b>	<b>(Rupees in Lakhs)</b>	
	<b>As At 31-03-2014</b>	<b>As At 31-03-2013</b>
<b>(Unsecured, considered good)</b>		
<b>Capital advance to related parties</b>		
Mobilization Advance -JKM Infra Projects Limited (Associate Company)	1,503.81	3,466.26
Material Advance - JKM Infra Projects Limited (Associate Company)	394.36	1,404.53
<b>Other Loans and advance</b>	-	-
<b>Total</b>	<b>1,898.17</b>	<b>4,870.79</b>

**NOTE 7**

**CASH AND BANK BALANCES**

<b>Particulars</b>	<b>(Rupees in Lakhs)</b>	
	<b>As At 31-03-2014</b>	<b>As At 31-03-2013</b>
<b>Cash &amp; Cash Equivalents</b>		
<b>Balance with Banks</b>		
Current accounts	123.54	1,178.76
Term Deposit With less than 3 months maturity	-	-
<b>Cash on hand</b>	1.00	1.00
<b>Sub-Total</b>	<b>124.54</b>	<b>1,179.76</b>
<b>Other Bank Balance</b>	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>124.54</b>	<b>1,179.76</b>

**KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

**NOTE 8**

**SHORT TERM LOANS AND ADVANCES**

(Rupees in Lakhs)		
Particulars	As At 31-03-2014	As At 31-03-2013
(Unsecured, considered good)		
Loans and Advances to Related Parties	-	-
Other Loans and advance		
IT Refund	0.23	0.23
<b>Total</b>	<b>0.23</b>	<b>0.23</b>

**NOTE 9**

**OTHER CURRENT ASSETS**

(Rupees in Lakhs)		
Particulars	As At 31-03-2014	As At 31-03-2013
Receivable from NHAI	46.39	-
<b>Total</b>	<b>46.39</b>	<b>-</b>

# KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

### NOTE 5

### FIXED ASSETS

(Rupees in Lakhs)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at April 1, 2013	Additions	As at March 31, 2014	As at April 1, 2013	For the Period	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
<b>I Tangible Assets</b>								
Computers	0.75		0.75	0.15	0.15	0.30	0.45	0.60
Furniture & Fixtures	1.83		1.83	0.37	0.37	0.73	1.10	1.46
Water Purifier	0.15		0.15	0.03	0.03	0.06	0.09	0.12
<b>Sub-total</b>	<b>2.73</b>	<b>-</b>	<b>2.73</b>	<b>0.55</b>	<b>0.55</b>	<b>1.09</b>	<b>1.64</b>	<b>2.18</b>
<b>II Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Intangible Assets under development (Refer Note-5A)</b>	10,227.57	11,677.68	21,905.25	-	-	-	21,905.25	10,227.57
<b>III Sub-total</b>	<b>10,227.57</b>	<b>11,677.68</b>	<b>21,905.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,905.25</b>	<b>10,227.57</b>
<b>TOTAL</b>	<b>10,230.30</b>	<b>11,677.68</b>	<b>21,907.98</b>	<b>0.55</b>	<b>0.55</b>	<b>1.09</b>	<b>21,906.89</b>	<b>10,229.75</b>
<b>Previous Year</b>	<b>0.56</b>	<b>10,229.74</b>	<b>10,230.30</b>	<b>-</b>	<b>0.55</b>	<b>0.55</b>	<b>10,229.75</b>	<b>0.56</b>

# KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

**NOTE NO: 5A**

## INTANGIBLE ASSETS UNDER DEVELOPMENT

(Rupees in Lakhs)

S.No	Particulars	As at 31.03.2013	Additions during the year	As at 31.03.2014
1	<b>EPC Cost</b>	9,454.81	9,822.48	19,277.29
2	<b>Finance Costs</b>			
	Interest on Term Loan	247.14	1,527.86	1,775.00
	Loan Syndication Fee	123.29	-	123.29
	Management Fee	2.35	14.57	16.92
	Upront Fees	84.27	-	84.27
	BG Charges	17.10	-	17.10
	Other Interest	-	1.78	1.78
	Other Borrowing Expenses	-	24.09	24.09
3	<b>Consultancy &amp; Professional Fees</b>			
	Consultancy Fee	34.32	19.38	53.70
	Independent Engineer Fee	105.00	151.88	256.88
	Insurance Advisory Fee	1.12	-	1.12
	Legal Consultant Fee	10.31	-	10.31
	Lenders Engineer's Fee	24.16	36.52	60.68
4	<b>Employee Benefits Expenses</b>			
	Salaries	29.77	34.24	64.01
5	<b>Other Expenses</b>	-	-	-
	Audit Fees	3.93	-	3.93
	Bank Charges	0.04	0.07	0.11
	Boarding & Lodging Expenses	1.54	-	1.54
	Business Promotion Expenses	4.48	-	4.48
	Certification Fees	1.43	1.44	2.87
	CIBIL Report Charges	0.07	0.02	0.09
	Conveyance Expenses	1.13	0.27	1.40
	Cost Audit Fee	-	0.20	0.20
	Courier & Postage Charges	0.02	-	0.02
	Demat Charges	0.41	-	0.41
	Depreciation Expenses	0.55	0.55	1.10
	Filing Charges	0.12	0.26	0.38
	General Expenses	1.22	0.47	1.69
	Generator Charges	0.24	0.08	0.32
	Hire Charges	2.32	2.86	5.18
	Insurance - C.A.R	26.19	31.87	58.06
	Interest on TDS	0.04	2.78	2.82
	Misc. Expenses	0.53	0.17	0.70
	Office Rent	3.33	(0.34)	2.99
	Printing & Stationery Expenses	0.31	0.16	0.47
	Staff Welfare Expenses	0.15	0.08	0.23
	Telephone Expenses	0.57	0.40	0.97
	Travelling Expenses	8.24	3.54	11.78
	Preliminary Expenses Written Off	39.38	-	39.38
	Utility Shiftng Expenses (Tree Cutting)	-	49.03	49.03
		10,229.88	11,726.72	21,956.60
	Less: Interest Received	2.31	-	2.31
	Utility Shifting Revenue (Tree Cutting)	-	49.03	49.03
	<b>Total</b>	<b>10,227.57</b>	<b>11,677.68</b>	<b>21,905.25</b>

# **KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

### **10. COMPANY OVERVIEW**

The Company was incorporated as a Special Purpose Vehicle (SPV) for development, maintenance and management of NH-28 from Km 519.600 to Km 627.000 in the State of Bihar on Design, Build, Finance, Operate and Transfer (The “DBFOT”) on Toll basis under NHDP-IV for National Highways Authorities of India (NHAI) (Ministry of Road Transport and Highways, Government of India). The Construction of the entire project has been sub-contracted to the EPC contractor JKM Infra Projects limited.

### **11. SIGNIFICANT ACCOUNTING POLICIES:**

#### **A. BASIS OF ACCOUNTING**

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with the generally accepted accounting principles ("GAAP"), in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, prescribed by the Central Government.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the year, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of tangible and intangible fixed assets, provision for doubtful debts/advances, future obligations in respect of retirement benefit plans etc. Actual results could differ from these estimates and would be recognized in the period in which the results are known.

#### **B. FIXED ASSETS**

##### **I) Tangible Assets**

Tangible Fixed Assets are stated at historic cost which includes freight, installation cost, duties, taxes and other incidental expenses less accumulated depreciation.

##### **II) Intangible Assets**

Intangible assets are recognized as per the criteria specified in accounting standard (AS) 26 “Intangible Assets” as specified in the companies (Accounting Standard) Rules, 2006 and are amortized as follows:

Carriageway representing Toll Collection Rights are obtained in consideration for rendering construction, operation and maintenance services in relation to building and maintenance of the project on Build, Operate and Transfer basis. The cost of such carriageway comprises construction costs incurred during the implementation phase.

# KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Such Carriageway on completion is capitalized as intangible asset and are amortized over the period of rights given under the concession agreement as they represent right to collect Toll revenue during the concession period.

### III) Intangible Assets under development

Intangible Asset under development included direct and indirect expenditure incurred for the Highway project and the cost incidental and related thereto.

Expenses incurred relating to the development of Highway project prior to commencement of commercial operations are included under intangible Asset under development (net of income earned during project development stage) and after completion the same will be transferred to Intangible Assets.

## C. DEPRECIATION

Depreciation on Fixed Assets is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in the Schedule XIV of the Companies Act, 1956. However, where the rate of depreciation provided in schedule XIV of the Companies Act does not fully depreciate the assets over the period of the concession, such fixed assets are depreciated over the period of the rights given under the concession agreement.

Depreciation on Fixed assets has been provided on straight-line basis at the rates higher than specified in Schedule XIV of the Companies' Act, 1956. However, in respect of the following Fixed Assets, depreciation is provided at higher rates in line with their revised estimated useful life.

S No.	Category of Asset	Revised Useful Life (in years)
1	Computers	5
2	Furniture and Fixtures	5
3	Office Equipment	5

Depreciation on addition and deletion is calculated on pro-rata basis. The fixed assets, the cost of which are less than Rs.5,000 are fully depreciated in the year of acquisition.

## D. BORROWING COSTS

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalized, as part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they were incurred.

In accordance with the Accounting Standard – 16 on "Borrowing Costs", income earned on investment (short term) of funds intermittently surplus but inextricably linked with project is set off against related borrowing costs



# **KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

### **E. AMORTIZATION**

Amortization is computed in accordance with terms of the Notification no. G.S.R. 298(E) dated April 17, 2012 issued by the Ministry of Corporate Affairs (on amortization of Intangible assets created under Build Operate and Transfer, Build, Own, Operate and Transfer and other forms of Public Private Partnership Route) and accordingly, the amortization is being charged on the actual revenue collected vis-a-vis the estimated revenue to be collected during the entire concession period.

Amortization on impaired assets is provided by adjusting the amortization charges in the remaining period so as to allocate the asset's revised carrying amount over its remaining useful life.

### **F. INVESTMENTS**

Current Investments are carried at lower of cost and market value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investment.

### **G. EARNING PER SHARE**

Basic and Diluted Earnings Per Share (EPS) is reported in accordance with Accounting Standard (AS) -20, "Earning Per Share", issued by the Institute of Chartered Accountants of India and notified under Companies (Accounting Standards) Rules, 2006. EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity Shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which would have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at the average market value of the outstanding shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increase loss per share are included.

### **H. IMPAIRMENT OF ASSETS**

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- a) the provision for impairment loss, if any required; or
- b) the reversal, if any, required of impairment loss recognized in previous period.

# **KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- a) in the case of an individual assets , at the higher of the net selling price and the value in use:
- b) in the case of cash generating unit (a group of assets that generates identified, independent cash flows) , at the higher of cash generating unit's net selling price and the value in use:

### **I. TAXES**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. A provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year, and qualified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets in relation to unabsorbed depreciation or carry forward of losses under tax laws ,deferred tax assets should be recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax in respect of timing differences which reverse during the tax holiday period is not recognized to the extent the enterprise's gross total income is subject to the deduction during the tax holiday period as per the requirements of section -80IA/80-IB of the Income tax Act.

### **J. PROVISIONS AND CONTINGENT LIABILITIES**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a) the company has a present obligation as a result of a past event,
- b) a probable outflow of resources is expected to settle the obligation and
- c) the amount of the obligation can be reliably estimated.

# **KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received

Contingent Liability is disclosed in the case of

- a) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- b) a possible obligation when no reliable estimate is possible, and
- c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognized nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each balance sheet date.

## **K. EMPLOYEE BENEFITS**

Provisions for / contributions to retirement benefit schemes are made as follows (as per AS-15):

- a) Provident fund on actual liability basis.
- b) Gratuity based on actuarial valuation.
- c) Leave encashment benefit on retirement on actuarial valuation basis

# KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

12. The Company has not yet commenced its commercial operations.

13. Remuneration paid to the Statutory Auditors for the year ended 31.03.2014 (including service tax)

(Amount in Lakhs)		
Audit and Other Fees	2013-14	2012-13
Statutory Audit Fees	4.49	3.37
Certification Fees	1.44	1.43
Out of Pocket Expenses	0.11	-

### 14. Related Party Transactions:

#### List of related party with whom transaction entered during the year

Name of Related Party	Relationship
KNR Constructions Limited	Ultimate Holding Company
KNR Muzaffarpur Holding Private Limited	Holding Company
JKM Infra Projects Limited	Associate company and EPC Contractor

#### Key Management Personnel

Mr.K.Narasimha Reddy	Director
Mr.K. Jalandhar Reddy	Director
Mr R.K Jalan	Director

The nature and volume of transactions during the year with the above related parties were as follows.

(Rupees in Lakhs)		
Company Particulars	2013-14	2012-13
KNR Constructions Limited		
-Share Capital	Nil	44.90
-Other Expenses Payable	0.63	2.06
KNR Muzaffarpur Holdings Pvt Ltd		
-Share Capital	1,122.00	1637.10
-Share Application Money	Nil	2,550.00
JKM Infra Project Limited		

# KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

-Share Capital	1,078.00	1,617.00
-Share Application Money	Nil	4,198.00
-Retention Deposit	528.74	651.56
-EPC Bill	9,822.48	9,454.81
-Mobilization Advance Given	Nil	4,725.00
-Mobilization Advance Recovered	(1,962.46)	(1258.74)
-Material Advance Given	1,250.00	3629.00
-Material Advance Recovered	(2,260.17)	(2,224.47)
-Other Expenses Payable	8.49	310.83
-Unsecured Loan	1,217.00	Nil
- Sub-Contractor Payable (Tree Cutting)	24.77	Nil
- Performance bank guarantee	Nil	1,770.00

### Balance outstanding as on 31.03.2014

(Rupees in Lakhs)

Company Particulars	2013-14	2012-13
KNR Constructions Limited		
-Share Capital	45.90	45.90
-Other Expenses Payable	2.79	2.26
KNR Muzaffarpur Holdings Pvt Ltd		
-Share Capital	2,759.10	1,637.10
-Share Application Money	Nil	912.90
JKM Infra Project Limited		
-share Capital	2,695.00	1,617.00
-share Application Money	Nil	1,052.43
-Retention Deposit	180.29	451.56
-Bills Payable (EPC Contractor)	1,454.99	2,640.69
-Mobilization Advance	1,503.80	3,466.26
-Material Advance	394.35	1,404.53
-Other Expenses Payable	17.27	82.21
-Unsecured Loan	1,217.00	Nil
- Sub-Contractor Payable (Tree Cutting)	8.44	Nil

### 15. Foreign Currency Transactions:

S No.	Particulars	2013-14	2012-13
1	CIF Value of Imports	Nil	Nil
2	Expenditure in Foreign Currency	Nil	Nil
3	Earnings in Foreign Currency	Nil	Nil

# KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

### 16. Contingent Liability and Commitments

Particulars	Rupees in Lakhs
Contingent Liability	Nil
Capital Commitment	
EPC Cost	31500.00
Less :	
Work done	19277.29
Unrecovered Advance	1898.16
Commitment to the extent not provided for	10324.55

### 17. Earnings Per Share

Particulars	2013-14	2012-13
Net Profit After Tax (Rs in lakhs)	(4.49)	Nil
Weighted Average number of Equity Shares in lakhs	550.00	Nil
<b>EPS</b>	<b>(0.01)</b>	<b>Nil</b>

18. In the opinion of the Board, the current assets, loans & advances, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

### 19. Employee Benefits

Particulars of Employees who were in receipt of remuneration of more than Rs.5, 00,000/- or more per month, if employed for a part of the year -- Nil (Previous Year – Nil) or who were in receipt of remuneration of more than Rs.60, 00,000/- or more per annum, if employed for whole of the year -- Nil (Previous Year – Nil).

Actuarial valuation for gratuity to the company is not applicable during the year because the no of employees are less than ten.

### 20. Due To Micro, Small And Medium Enterprises

There has been no claimed transaction during the period with MICRO, Small and Medium Enterprises covered under the MICRO, Small and Medium Enterprises Development Act. (MSMED Act, 2006) Hence, reporting details of principal and interest does not arise

### 21. Segment Information

#### Business Segment:

The services rendered by the Company are in the nature of Design, Build, Finance, Operate and Transfer (The “DBFOT”) on Toll basis under NHDP-IV for National Highways Authorities of India (NHAI) (Ministry of Road Transport and Highways, Government of India) in the State of Bihar on Toll basis and hence no business segment disclosure is considered necessary.

**KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED**

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

### Geographical Segment:

During the year under report, the Company has engaged in its business within the State of Bihar. The conditions prevailing in Bihar being uniform, no separate geographical disclosure is considered necessary.

## 22. Taxes on Income

- a) The Company does not have taxable income and hence provision for current tax has not been made. The Company is eligible for deduction under section 80IA of Income Tax Act and the tax holiday period of the company's project falls within the concession period of the company as defined in Section 80IA. Since deferred tax on Timing differences between Accounting Income and Taxable Income that arise during the year is reversing during such tax Holiday period, no deferred tax asset/liability arises and accordingly no provision is made in the accounts.
- b) The Company does not have taxable wealth under the provisions of the Wealth Tax Act 1952.

## 23. Impairment of Assets

The Company has reviewed the future discounted cash flows based on value in use of fixed assets and is satisfied that the recoverable amount is more than the amount carried in the books. Accordingly, no provision is required to be made for the impairment in the accounts.

**24.** Previous year's figures have been regrouped/reclassified wherever considered necessary.

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

**For and on behalf of the Board**

**Sd/-**  
**Ravi Kumar Goyal**  
**Partner**  
**M.No.501246**

**Sd/-** **Sd/-**  
**K.Narasimha Reddy** **R.K .Jalan**  
**Directors**

**Place: Hyderabad**  
**Date: 26.05.2014**