

# **BHARAT ROAD NETWORK LIMITED**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 2013-14**

**CIN: U45203WB2006PLC112235**

**REGISTERED OFFICE: MIRANIA GARDENS, 10B TOPSIA ROAD  
(SOUTH) KOLKATA -700046**

**BHARAT ROAD NETWORK LIMITED**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014 AND STATEMENT OF PROFIT & LOSS FOR THE  
YEAR ENDED ON THAT DATE**

**G.P. AGRAWAL & CO  
CHARTERED ACCOUNTANTS**

## INDEPENDENT AUDITOR'S REPORT

### To The Members of BHARAT ROAD NETWORK LIMITED

#### Report on the financial statements

We have audited the accompanying financial statements of **BHARAT ROAD NETWORK LIMITED** ("The Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### Management responsibility for the financial statement

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular no. 15/2013 dated 13th 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 the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity'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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



## INDEPENDENT AUDITOR'S REPORT (Contd.)

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date.
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

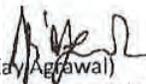
### Emphasis of Matter

We draw attention to Note 25.7 to the financial statements regarding investment in Special Purpose Vehicles formed as per Concession Agreement and guidelines of respective Government authority and treatment of such investments as Qualifying Asset which is based on a legal opinion and capitalization of directly attributable borrowing costs incurred in respect thereof. Our opinion is neither a reservation, nor a qualification or an adverse remark in respect of this matter.

### Report on other legal and regulatory requirements.

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India, in terms of section 227(4A) of 'The Companies Act, 1956' (the 'Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out 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 purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular no. 15/2013 dated 13th 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 March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For G.P. Agrawal & Co.  
Chartered Accountants  
F.R.No- 302082E

  
(CA. Ajay Agrawal)  
Membership No. 17643  
Partner  
7A, Kiran Shankar Ray Road,  
Kolkata - 700001,  
Dated: 26<sup>th</sup> September, 2014



**INDEPENDENT AUDITOR'S REPORT (Contd.)**

**ANNEXURE TO THE AUDITORS' REPORT**

Statement referred to in our report of even date to the members of BHARAT ROAD NETWORK LIMITED on the accounts for the year ended 31<sup>st</sup> March, 2014.

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The fixed assets have been physically verified by the management during the year. To the best of our knowledge, no material discrepancy was noticed on such verification.
- c) The Company has not disposed of substantial part of fixed assets during the year.
- ii) As the Company has no inventory, the provisions of para ii (a), (b) and (c) of paragraph 4 of the said order are not applicable to the Company.
- iii) a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly clauses (iii)(b) to (iii)(d) of paragraph 4 of the said order are not applicable to the Company.
- b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, clauses (iii)(e) to (iii)(g) of paragraph 4 of the said order are not applicable to the Company.
- iv) On the basis of information and explanation given to us, we are of the opinion that the Company has an adequate internal control system commensurate with the size of the Company and the nature of its business. We have not observed any continuing failure to correct major weaknesses in internal control.
- v) a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of Rupees five lakhs or more in respect of any party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposit within the meaning of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under.
- vii) In our opinion, the internal audit system of the Company is commensurate with the size of the Company and the nature of its business.



**INDEPENDENT AUDITOR'S REPORT (Contd.)**

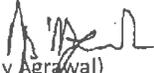
- viii) The provisions regarding maintenance of cost records are not applicable to the Company.
- ix) a) According to the records, the company is generally regular in depositing undisputed statutory dues including Income Tax with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date of becoming payable. As per the explanation given to us the provisions of Investor Education & Protection Fund, , Employees State Insurance, , Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess are not applicable to the company.
- b) According to the information and explanation given to us, there are no disputed statutory dues as on 31<sup>st</sup> March, 2014.
- x) The accumulated losses of the Company have not exceeded 50 % of the net worth as at the year end. The Company has not incurred cash loss during the year covered by our audit and in the immediately preceding financial year.
- xi) The Company has not defaulted in payment of dues to a financial institution. Further, the Company has no dues to bank and has not issued any debenture.
- xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other similar securities.
- xiii) The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Society are not applicable to this Company.
- xiv) The Company is not dealing or trading in shares and securities. The Company has maintained proper records of transactions and contracts in respect of investment in shares, securities, debentures and timely entries have been made therein. All shares, securities, debentures have been held by the Company in its own name.
- xv) According to the records of the Company and 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) On the basis of our examination and according to the information and explanation given to us, the term loans have been applied for the purpose for which the loans 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 Investments.



**INDEPENDENT AUDITOR'S REPORT (Contd.)**

- xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix) The Company has not Issued any secured debentures.
- xx) The Company has not raised any moneys by public issue during the year covered by our audit report.
- xxi) In our opinion and according to the information and explanation given to us, no fraud on the company or by the Company has been noticed or reported during the year that causes the financial statements materially misstated.

For G.P. Agrawal & Co.  
Chartered Accountants  
F.R.No- 302082E

  
(CA. Ajay Agrawal)  
Membership No. 17643  
Partner  
7A, Kiran Shankar Ray Road,  
Kolkata – 700001,  
Dated: 26<sup>th</sup> September, 2014



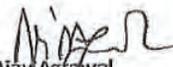
# BHARAT ROAD NETWORK LIMITED

Balance Sheet as at 31st March, 2014

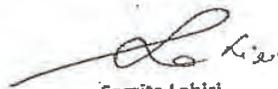
	Note	As at 31st March, 2014 (Amount in ₹)	As at 31st March, 2013 (Amount in ₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	100,000,000	100,000,000
(b) Reserves and surplus	3	(7,113,215)	(8,039,675)
<b>2 Share application money pending allotment</b>	4		250,000,000
<b>3 Non-Current Liabilities</b>			
(a) Long-term borrowings	5	3,671,850,000	2,981,250,000
(b) Long-term provisions	6	992,250	1,427,900
<b>4 Current Liabilities</b>			
(a) Short-term Borrowing	7	658,200,000	
(b) Trade Payable	8	17,332,169	4,137,573
(c) Other current liabilities	9	77,715,712	51,818,480
(d) Short-term provisions	10	631,820	602,520
		<b>4,519,608,736</b>	<b>3,381,196,798</b>
<b>II. ASSETS</b>			
<b>1 Non- Current Assets</b>			
(a) Fixed Assets			
-Tangible assets	11	78,182	62,507
(b) Non-current investments	12	4,374,497,561	3,308,515,715
(c) Deferred Tax Assets (Net)	13		
(d) Long-term loans and advances	14	61,753,354	5,136,377
<b>2 Current Assets</b>			
(a) Trade Receivables	15	46,822,066	4,472,998
(b) Cash and Cash Equivalents	16	688,596	37,000,000
(c) Short-term loans and advances	17	112,000	1,363,881
(d) Other current assets	18	35,656,977	24,645,320
		<b>4,519,608,736</b>	<b>3,381,196,798</b>
Significant Accounting Policies	1		
Other Disclosures	25		

The accompanying notes are an integral part of the Financial Statements.  
This is the Balance Sheet referred to in our report of even date.

For G. P. Agrawal & Co.  
Chartered Accountants  
Firm Registration No.302082E

  
CA Ajay Agrawal  
Partner  
Membership No.17643



  
Samita Lahiri  
Company Secretary

On behalf of the Board of Directors

  
Bajrang K Choudhary  
Director

  
Brahm Dutt  
Chairman

  
Alok Nagpal  
Chief Financial Officer

  
Asim Tewari  
Chief Executive Officer  
& Manager

Place : Kolkata  
Date : 26th September, 2014

## BHARAT ROAD NETWORK LIMITED

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

	Note	Year ended 31st March, 2014 (Amount in ₹)	Year ended 31st March, 2013 (Amount in ₹)
<b>I INCOME</b>			
Revenue from Operation	19	109,373,574	6,795,661
Other Income	20	234,824	23,782,885
<b>Total Revenue</b>		<b>109,608,398</b>	<b>30,578,546</b>
<b>II EXPENSES</b>			
Operational Expenses	21	55,517,354	5,233,569
Employee Benefits Expense	22	29,869,735	16,340,833
Finance Costs	23	12,068,166	1,764,685
Depreciation Expense	11	28,325	14,409
Other Expenses	24	11,198,358	6,341,273
<b>Total expenses</b>		<b>108,681,938</b>	<b>29,694,769</b>
<b>III Profit before exceptional and extra ordinary items and tax (I-II)</b>		926,460	883,777
<b>IV Exceptional items</b>			
<b>V Profit before extra ordinary items and tax (III-IV)</b>		926,460	883,777
<b>VI Extraordinary items</b>			
<b>VII Profit before tax (V-VI)</b>		926,460	883,777
<b>VIII Tax expense</b>			
Current Tax		177,000	410,000
Less: MAT credit entitlement		177,000	-
Net Current Tax		-	410,000
Deferred tax (Net)		-	-
<b>IX Profit/ (Loss) After Tax for the year (VII - VIII)</b>		<b>926,460</b>	<b>473,777</b>
<b>X Earnings per share (in ₹) (Face Value ₹ 10/- per Equity Share) :</b>			
a) Basic		0.09	2.97
b) Diluted		0.09	1.09

Significant Accounting Policies

1

Other Disclosures

25

The accompanying notes are an integral part of the Financial Statements.  
This is the Statement of Profit and Loss referred to in our report of even date.

For G. P. Agrawal & Co.  
Chartered Accountants  
Firm Registration No.302082E

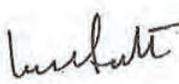
  
CA Ajay Agrawal  
Partner  
Membership No.17643



  
Samita Lahiri  
Company Secretary

On behalf of Board of Directors

  
Bajrang K Choudhary  
Director

  
Brahm Dutt  
Chairman

  
Alok Nagpal  
Chief Financial Officer

  
Asim Tewari  
Chief Executive Officer  
& Manager

Place : Kolkata  
Date : 26th September, 2014

**BHARAT ROAD NETWORK LIMITED**  
Cash Flow Statement for the year ended 31st March, 2014

Particulars	Year Ended	Year Ended
	31 March, 2014	31 March, 2013
	(₹)	(₹)
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before tax	926,460	883,777
Adjustments for:		
Depreciation	28,325	14,409
Finance costs	12,068,166	1,764,685
Interest on Income Tax refund	(80)	
Interest Income	(197,658)	(23,782,885)
<b>Operating Profit before Working Capital Changes</b>	<b>12,825,213</b>	<b>(21,120,014)</b>
Increase/(Decrease) in Long Term Provisions	(435,650)	1,427,900
Increase/(Decrease) in Trade Payables	13,194,596	4,137,573
Increase/(Decrease) in Other Current Liabilities	(2,228,000)	28,625,864
Increase/(Decrease) in Short Term Provisions	(147,700)	107,657
Decrease/(Increase) in Trade Receivables	(42,349,068)	(4,472,998)
Decrease/(Increase) in Short Term Loans & Advances	1,251,881	(1,353,881)
Decrease/(Increase) in Other Current Assets	(6,791,604)	(1,029)
<b>Cash generated from Operating activities</b>	<b>(24,680,332)</b>	<b>7,351,072</b>
Advance Income Tax (Net of refund and interest)	(6,339,897)	(225,410)
<b>Net Cash from Operating Activities</b>	<b>(31,020,229)</b>	<b>7,125,662</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(44,000)	(30,450)
Increase in Investments	(563,696,000)	(1,515,918,670)
Share/Debenture application money given	(55,000,000)	(4,900,000)
Long Term Loans given/taken over		(1,435,706,000)
Interest received	226,042	(786,606)
<b>Net Cash from Investing activities</b>	<b>(618,513,958)</b>	<b>(2,957,341,726)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Loan	1,362,800,000	2,785,000,000
Interest paid	(499,577,217)	(147,711,435)
Share application Money refund	(250,000,000)	
Share application Money received		250,000,000
Proceeds from issuance of share capital		99,500,000
<b>Net Cash Flow from Financing Activities</b>	<b>613,222,783</b>	<b>2,986,788,565</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(36,311,404)</b>	<b>36,572,501</b>
Opening Cash and Cash Equivalents	37,000,000	427,499
Closing Cash and Cash Equivalents	688,596	37,000,000

**Notes:**

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS 3) "Cash Flow Statements" notified by the Central Government under Companies (Accounting Standards) Rules, 2006.
- Interest paid is inclusive of, and investments and other current assets are exclusive of, interest capitalised ₹ 497,311,046/- (31st March 2013: ₹ 167,091,045/-) and ₹ 4,323,237/- (31st March 2013: ₹ 74,800/-) respectively.
- During the year, Unsecured Loan given amounting to Nil (31st March 2013: ₹ 1,455,706,000/-) was converted into Investment in Debentures. However, the same has not been considered as movement in Investing Activities as it did not involve physical movement of cash.
- During the year, Share application money given aggregating to ₹ 4,900,000 (31st March 2013: ₹ 120,700,000) have been converted into Investments in Equity Shares.
- Cash and cash equivalents do not include any amount which is not available to the Company for its use.

As per our report of even date attached.

For G. P. Agrawal & Co.  
Chartered Accountants  
Firm Registration No.302082E

CA Ajay Agrawal  
Partner  
Membership No.17643



Bajrang K Choudhary  
Director

Samita Lahiri  
Company Secretary

On behalf of the Board of Directors

Brahm Dutt  
Chairman

Alok Nagpal  
Chief Financial Officer

Asim Tawan  
Chief Executive Officer  
& Manager

Place : Kolkata  
Date : 26th September, 2014

# BHARAT ROAD NETWORK LIMITED

## 1 SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Basis of Preparation

- a) The financial statements are prepared in accordance with the historical cost convention and the accrual basis of accounting.
- b) These are presented in accordance with Generally Accepted Accounting Principles in India, provisions of the Companies Act, 1956 and Accounting Standards notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.
- c) The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities including Contingent Liabilities as of the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.
- d) All Assets and Liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule VI to the Companies' Act, 1956. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the company has assumed its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

### 1.2 Revenue Recognition

Income from operation and other incomes are recognized in the Statement of Profit and Loss on accrual basis.

All the expenses are accounted for on accrual basis.

### 1.3 Fixed Assets and Depreciation / Amortization

- a) Fixed Assets are stated at Cost less accumulated depreciation. Cost includes taxes, duties, freight and incidental expenses related to the acquisition and installation of the assets.
- b) Intangible Assets expected to provide future enduring economic benefits are stated at cost less amortization. Cost comprises purchase price and directly attributable expenditure on making the asset ready for its intended use.
- c) Depreciation is provided on straight line method applying the rates prescribed in Schedule XIV to the Companies Act, 1956 or based on estimated useful life, whichever is higher. The details of estimated useful life for each category of assets are as under:

Sl. No.	Asset category	Estimated Useful Life
I	Assets for Own Use	
i)	Computers	4 to 6 years

However, Fixed Assets costing up to Rs. 5,000/- are depreciated fully over a period of 12 months from the date of purchase.

- d) Depreciation on assets purchased/sold during the year is recognized in Statement of Profit and Loss pro-rata basis from/till the date of purchase/sale.



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# BHARAT ROAD NETWORK LIMITED

## 1.4 Impairment of Fixed Assets

Wherever events or changes in circumstances indicate that the carrying amount of fixed assets may be impaired, the Company subjects such assets to a test of recoverability, based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, the Company recognizes an impairment loss as the excess of the carrying amount over the recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying amount after reversal is not increased beyond the carrying amount that would have prevailed by charging usual depreciation if there was no impairment.

## 1.5 Capital Work in Progress

Capital work in progress is stated at cost and includes development and other expenses including interest during construction period.

## 1.6 Investments

- a) Investment which are readily realizable and intended to be held not more than one year from the date on which such investments are made, are classified as current investments. All Other investments are classified as long-term investment.
- b) Current Investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are stated at cost. Provision for diminution in value, is made to recognize a decline other than temporary in the value of the investments.
- c) Cost includes acquisition charges such as brokerage, fee, duties and borrowing costs that are directly attributable to the acquisition of the investment.

## 1.7 Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing at the time of transaction. Monetary assets and liabilities expressed in foreign currencies are translated into the reporting currency at the exchange rate prevailing at Balance Sheet date. Any income or expense on account of exchange difference either on settlement or on translation at the year end is recognized in the Statement of Profit and Loss.

## 1.8 Prior Period and Extra Ordinary Items

Prior Period and Extra Ordinary items having material impact on the financial affairs of the Company are disclosed separately.

## 1.9 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalized for the period until the asset is ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

## 1.10 Employee Benefits

- a) **Short term employee benefits**  
Short term employee benefits based on expected obligation on undiscounted basis are recognized as expense in the Statement of Profit and Loss for the period in which the related service is rendered.



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## BHARAT ROAD NETWORK LIMITED

b) **Defined contribution plan**

Company's contribution towards Regional Provident Fund Authority and Employee State Insurance Corporation are charged to the Statement of Profit and Loss.

c) **Defined benefit plan**

Company's liabilities towards gratuity and leave benefits are defined benefit plans. Such liabilities are ascertained by an independent actuary as per the requirement of Accounting Standard – 15 (revised 2005) "Employee Benefits". All actuarial gains and losses are recognized in Statement of Profit and Loss in the year in which they occur.

**1.11 Segment Reporting**

The company is primarily engaged in a single business segment of purchase, own, build, develop, design, Operate, transfer road and related services. All the activities of the company revolved around the main business. As such there are no separate reportable segments as per Accounting Standard -17 "Segment Reporting" notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.

**1.12 Taxes on Income**

- a) Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.
- b) Deferred tax is recognized on timing differences which is the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets subject to the consideration of prudence are recognized and carried forward only 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. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

**1.13 Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events; it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**1.14 Earnings per Share**

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard-20, Earnings per Share notified by the Central Government under the Companies (Accounting Standards) Rules, 2006. Basic earnings per equity share have been computed by dividing net profit / (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the net profit (loss) after tax for the year by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.



*Signature*

*Signature*

*Signature* 07/12

**BHARAT ROAD NETWORK LIMITED**  
Notes to Financial Statements

**2 Share Capital**

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number	Amount (₹)	Number	Amount (₹)
a) <b>Authorised</b> Equity Shares of ₹ 10 each	10,000,000	100,000,000	10,000,000	100,000,000
		100,000,000		100,000,000
b) <b>Issued, Subscribed &amp; Paid up</b> Equity Shares of ₹ 10 each fully paid up	10,000,000	100,000,000	10,000,000	100,000,000
<b>Total</b>	<b>10,000,000</b>	<b>100,000,000</b>	<b>10,000,000</b>	<b>100,000,000</b>

c) **The rights, preferences and restrictions attached to each class of Equity shares are as under:**

The Company has only one class of equity shares having a par value of ₹ 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 proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) The reconciliation of the number of shares outstanding at the beginning and at the end of year has been shown in the table below:

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of Equity Shares	Amount (₹)	No. of Equity Shares	Amount (₹)
Shares outstanding at the beginning of the year	10,000,000	100,000,000	50,000	500,000
Shares issued during the year			9,950,000	99,500,000
Shares outstanding at the end of the year	10,000,000	100,000,000	10,000,000	100,000,000

e) **Details of each shareholder holding more than 5% shares :-**

Name of Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Srei Venture Capital Trust A/c-Infrastructure Project Development Capital	9,950,000	99.50%	9,950,000	99.50%

**3 Reserves and Surplus**

Particulars	(Amount in ₹)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Surplus/(deficit) in the Statement of Profit and Loss</b>		
Opening Balance	(8,039,675)	(8,513,452)
Add: Net Profit for the year	926,460	473,777
<b>Total</b>	<b>(7,113,215)</b>	<b>(8,039,675)</b>



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# BHARAT ROAD NETWORK LIMITED

Notes to Financial Statements (Contd.)

## 4 Share application money pending allotment

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Nil (Previous year 25,000,000) Equity Shares of ₹ 10 each Note: 25,000,000 Equity Shares of ₹ 10/- each which were proposed to be allotted as fully paid up in 2013-14 with requisite increase in Authorised Capital, could not be issued due to subsequent change in management decision.	-	250,000,000
<b>Total</b>	-	<b>250,000,000</b>

## 5 Long-term borrowings

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>i) Secured</b> Term Loan from financial Institution	3,671,850,000	2,959,250,000
<b>ii) Unsecured</b> Term Loan from financial Institution	-	22,000,000
<b>Total</b> (i+ii)	<b>3,671,850,000</b>	<b>2,981,250,000</b>

### Repayment Schedule as at 31st March, 2014

Particulars	Maturity Profile				Total
	Over 5 years	3 - 5 Years	1 - 3 Years	0 - 1 Years	
<b>Secured Term Loan</b>					
Term Loan 1	150,550,000	301,100,000	-	-	451,650,000
Term Loan 2	433,333,333	866,666,667	-	-	1,300,000,000
Term Loan 3	931,466,667	465,733,333	-	-	1,397,200,000
Term Loan 4	348,666,667	174,333,333	-	-	523,000,000
					<b>3,671,850,000</b>
<b>Unsecured Term Loan</b>					
Term Loan 6	-	-	-	14,000,000	14,000,000
					<b>14,000,000</b>
	<b>1,864,016,667</b>	<b>1,807,833,333</b>	<b>-</b>	<b>14,000,000</b>	<b>3,685,850,000</b>

### Repayment Schedule as at 31st March, 2013

Particulars	Maturity Profile				Total
	Over 5 years	3 - 5 Years	1 - 3 Years	0 - 1 Years	
<b>Secured Term Loan</b>					
Term Loan 1	797,433,333	398,716,667	-	-	1,196,150,000
Term Loan 2	866,666,667	433,333,333	-	-	1,300,000,000
Term Loan 3	463,100,000	-	-	-	463,100,000
					<b>2,959,250,000</b>
<b>Unsecured Term Loan</b>					
Term Loan 5 ^	-	-	22,000,000	-	22,000,000
	<b>2,127,200,000</b>	<b>832,050,000</b>	<b>22,000,000</b>	<b>-</b>	<b>2,981,250,000</b>



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**BHARAT ROAD NETWORK LIMITED**  
Notes to Financial Statements (Contd.)

**Terms of repayment for Secured borrowing:**

Rupee term loan of ₹ 451,650,000 (As at 31st March 2013: ₹ 1,196,150,000) and Rupee term loan of ₹ 1,300,000,000 (As at 31st March 2013: ₹ 1,300,000,000) are secured by way of first charge on all cash flow & all moveable assets (both present & future), pledge (along with Power of Attorney) of entire shareholding of the Company held by Infrastructure Project Development Fund (IPDF) and demand promissory note covering the principal and interest repayment.

Principal loan amount of ₹ 451,650,000 is repayable in 3 equal installments at the end of 6th, 7th and 8th year from the date of first disbursement i.e. 29th Feb 2012. Interest is payable half-yearly, compounding on monthly rest @14% per annum.

Principal loan amount of ₹ 1,300,000,000 is repayable in 3 equal installments at the end of 66th, 78th and 90th month from the date of first disbursement i.e. 11th Sep 2012. Interest is payable half-yearly, compounding on monthly rest @14% per annum.

Rupee term loan of ₹ 1,397,200,000 (As at 31st March 2013: ₹ 463,100,000) and Rupee term loan of ₹ 523,000,000 (As at 31st March 2013: ₹ Nil) are secured by way of first charge on all cash flow & all moveable assets (both present & future), pledge (along with Power of Attorney) of entire shareholding of the Company held by Infrastructure Project Development Fund (IPDF) and Infrastructure Project Development Capital (IPDC) and demand promissory note covering the principal and interest repayment.

Principal loan amount of ₹ 1,397,200,000 is repayable in 3 equal installments at the end of 66th, 78th and 90th month from the date of first disbursement i.e. 26th Mar 2013. Interest is payable half-yearly, compounding on monthly rest @14% per annum.

Principal loan amount of ₹ 523,000,000 is repayable in 3 equal installments on 31 Dec 2018, 31 Dec 2019 and 31 Dec 2020. Interest is payable half-yearly, compounding on monthly rest @14% per annum.

**Terms of repayment for Unsecured borrowing:**

Principal loan amount of ₹ 14,000,000 (As at 31st March 2013 : ₹ Nil) repayable as bullet payment on 31 Mar 2015. Interest is payable quarterly, compounding on monthly rest @ 14% per annum.

^ Principal loan amount of ₹ 22,000,000 has been prepaid in full during the current reporting year.

**6 Long-Term Provisions**

Particulars	(Amount in ₹)	
	As at 31st March, 2014	As at 31st March, 2013
Provision for Employee Benefits		
-Gratuity	450,340	351,810
-Leave Encashment	458,670	784,810
-Sick Leave Availment	83,240	291,280
<b>Total</b>	<b>992,250</b>	<b>1,427,900</b>

**7 Short-term Borrowings**

Particulars	(Amount in ₹)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Unsecured</b>		
Inter Corporate Deposit from related party (Refer Note 25.2)	658,200,000	-
<b>Total</b>	<b>658,200,000</b>	-

**Terms of repayment of Short-term borrowings:**

Principal loan amount of ₹ 658,200,000 (As at 31st March 2013 : ₹ Nil) repayable as bullet payment on 31 Mar 2015. Interest is payable on maturity @ 10% per annum.



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**BHARAT ROAD NETWORK LIMITED**  
Notes to Financial Statements

**8 Trade Payable**

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Due to Micro, Small and Medium Enterprises (Refer Note 25.5)	17,332,169	4,137,573
Due to Others		
<b>Total</b>	<b>17,332,169</b>	<b>4,137,573</b>

**9 Other Current Liabilities**

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Current maturities of Long term borrowings	14,000,000	
Interest Accrued but not due on borrowings	36,833,513	22,708,281
<b>Other Payables:</b>		17,737,942
Book Overdraft		
Liability for expenses	4,767,584	2,222,257
Salary & other payroll dues	950,926	742,495
Service Tax payable	4,292,945	
TDS Payable	16,680,108	8,406,975
PF Payable	190,306	
Professional Tax Payable	330	530
<b>Total</b>	<b>77,715,712</b>	<b>51,818,480</b>

**10 Short-term Provisions**

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Provision for Income Tax	587,000	410,000
Provision for Employee Benefits		
-Gratuity	2,140	1,020
-Leave Encashment	29,990	152,720
-Sick Leave Availment	12,690	38,780
<b>Total</b>	<b>631,820</b>	<b>602,520</b>



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**BHARAT ROAD NETWORK LIMITED**  
Notes to Financial Statements (Contd.)

**11 Fixed Assets**

(Amount in ₹)

Particulars	Gross Block			Depreciation/Amortisation			Net Block		
	As at 01.04.2013	Additions during the year	Sales/adjustments during the year	As at 31.03.2014	As at 01.04.2013	For the year	Sales/adjustments during the year	As at 31.03.2014	As at 31.03.2013
Tangible Assets									
Computers	85,554	44,000	-	129,554	23,047	28,325	-	78,182	62,507
	85,554	44,000	-	129,554	23,047	28,325	-	78,182	62,507
Corresponding figure for the previous year	55,104	30,450	-	85,554	8,638	14,409	-	62,507	-

**12 Non-Current Investment**

Particulars	Face Value (₹)	As at 31st March, 2014		As at 31st March, 2013	
		Nos.	Total Cost (₹)	Nos.	Total Cost (₹)
<b>Long Term Investment (At cost) Trade, Fully Paid up*</b>					
<b>A. In Equity Instruments (Unquoted)</b>					
Subsidiary Company					
Solapur Tollways Pvt. Ltd. [pledged with Banks 252,501 Equity Shares, refer note (b) below]	10	490,200	5,633,980		
Associate Company					
Orissa Steel Expressway Pvt. Ltd.	10	34,949,667	432,152,529	30,349,667	334,536,354
Kurukshetra Expressway Pvt. Ltd. [pledged with Banks 8,621,550 Equity Shares, refer note (b) below]	10	30,581,950	724,324,894	23,205,000	489,774,409
Ghaziabad Aligarh Expressway Pvt. Ltd [Pledged with Banks 23,745,600 Equity Shares, refer note (b) below]	10	53,350,000	661,307,578	53,350,000	581,633,605
Shree Jagannath Expressways Pvt. Ltd. [Pledged with Banks 9,765,480 Equity Shares, refer note (b) below]	10	38,452,400	469,371,687	38,452,400	412,546,092
Potin Pangin Highways Pvt. Ltd. [Pledged with Banks 5,355 Equity Shares, refer note (b) below]	10	20,000	215,255		1,818,490,460
			2,293,605,923		
<b>B. In Unsecured Participatory Convertible Debenture (Unquoted)</b>					
Subsidiary Company					
Solapur Tollways Pvt. Ltd.	10	65,820,000	748,098,768	34,000,000	360,129,315
Associate Company					
Potin Pangin Highways Pvt. Ltd.	10	1,985,500	21,423,781		
Other Company					
Mahakaleshwar Tollways Pvt. Ltd.	10	26,658,500	310,154,351	24,198,500	246,384,303
Guruvayoor Infrastructure Pvt. Ltd.	10	88,102,100	1,001,274,738	87,372,100	883,511,637
			2,080,891,638		1,490,025,255
<b>Aggregate amount of Unquoted Investments (A+B)</b>			4,374,497,561		3,308,515,715



\* Refer Note 25.7

Note:

a) The Unsecured Optionally Convertible Participating Interest bearing Debentures does not carry any fixed rate of interest. Rate of interest, subject to maximum of 16% cumulative interest, shall be decided every year at the end of the Financial Year based on the residual cash flows after servicing Senior Lenders of the issuer.

b) The Company has pledged its investment in shares aggregating to ₹ 620,856,002 (As at 31st March 2013: ₹ 400,216,147/-) in favour of Security Trustees for loan taken by respective Subsidiary and Associate Companies.

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**BHARAT ROAD NETWORK LIMITED**  
Notes to Financial Statements (Contd.)

13 Deferred Tax Assets (Net)

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Components of Deferred Tax Liability :		
Depreciation	14,486	8,730
Less : Deferred Tax Assets recognised to the extent of liability	(14,486)	(8,730)
<b>Total</b>	-	-

14 Long-term loans and advances  
(Unsecured considered good)

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Other Long-Term Advances	-	4,900,000
Share Application Money	55,000,000	-
Debenture Application Money	6,576,354	236,377
Advance Income Tax Including Tax deducted at Source	177,000	-
MAT Credit Entitlement	-	-
<b>Total</b>	<b>61,753,354</b>	<b>5,136,377</b>

15 Trade Receivables

(Unsecured considered good)

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Debt outstanding for a period exceeding six months from the due date	2,485,616	-
Other Debts	44,336,450	4,472,998
<b>Total</b>	<b>46,822,066</b>	<b>4,472,998</b>

16 Cash and Cash Equivalents

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Cash and Cash Equivalents		
Balances with scheduled banks		
- In Current Accounts	688,596	-
- In Fixed Deposit with original maturity upto 3 months	-	37,000,000
<b>Total</b>	<b>688,596</b>	<b>37,000,000</b>

17 Short Term Loans and Advances

(Unsecured and considered good)

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Other Loans and Advances :		
Service Tax Input Credit	-	343,181
Prepaid Expenses	59,000	-
Advance to staff	20,000	20,700
Advance to Vendor and others	33,000	1,000,000
<b>Total</b>	<b>112,000</b>	<b>1,363,881</b>

18 Other Current Assets

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Interest accrued	24,541,107	24,569,491
Unallocated borrowing cost	4,323,237	74,800
Unbilled revenue	5,573,719	-
Other receivables for reimbursements	288,544	-
Others	930,370	1,029
<b>Total</b>	<b>35,656,977</b>	<b>24,645,320</b>



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**BHARAT ROAD NETWORK LIMITED**  
Notes to Financial Statements (Contd.)

**19 Revenue from Operations**

(Amount in ₹)

Particulars	Year ended 31st March, 2014	Year ended 31st March 2013
<b>Sale of services:</b>		
Toll operations and maintenance	67,373,574	5,795,661
Project Management Consultancy	40,000,000	
Retainership Fee	2,000,000	1,000,000
<b>Total</b>	<b>109,373,574</b>	<b>6,795,661</b>

**20 Other Income**

(Amount in ₹)

Particulars	Year ended 31st March, 2014	Year ended 31st March 2013
Interest on Loan		23,627,047
Interest on Fixed Deposit with Bank	197,658	155,838
Interest on Income Tax refund	80	
Penal Charges Recovery	37,086	
<b>Total</b>	<b>234,824</b>	<b>23,782,885</b>

**21 Operational Expenses**

(Amount in ₹)

Particulars	Year ended 31st March, 2014	Year ended 31st March 2013
Toll Operating Expenses	55,517,354	5,233,569
<b>Total</b>	<b>55,517,354</b>	<b>5,233,569</b>

**22 Employee benefits expense**

(Amount in ₹)

Particulars	Year ended 31st March, 2014	Year ended, 31st March 2013
Salaries & Allowances	28,649,793	15,777,029
Contribution to Provident and Other Funds	1,173,171	557,335
Staff Welfare Expenses	46,771	6,469
<b>Total</b>	<b>29,869,735</b>	<b>16,340,833</b>

**23 Finance Costs**

(Amount in ₹)

Particulars	Year ended 31st March, 2014	Year ended 31st March 2013
Interest expenses on borrowings	504,361,449	164,299,530
Other borrowing costs	9,341,000	4,631,000
	513,702,449	168,930,530
Less: Capitalised to Investments	501,634,283	167,165,845
<b>Total</b>	<b>12,068,166</b>	<b>1,764,685</b>



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**BHARAT ROAD NETWORK LIMITED**  
Notes to Financial Statements (Contd.)

**24 Other Expenses**

(Amount in ₹)

Particulars	Year ended 31st March, 2014	Year ended 31st March 2013
Legal & Professional Fees	6,807,096	3,640,843
Travelling and Conveyance	3,285,608	2,242,250
Filing Fees	10,500	7,000
Rates & Taxes	512,117	66,350
Repairs & Maintenance- Others	173,253	-
Postage, Telegram & Telephone	114,691	95,523
Membership & Subscription	59,000	-
Sales Promotiori	36,907	25,534
Tender Fees	-	115,000
Payment to Auditor :		
-For Audit	100,000	100,000
-Other Services	55,600	18,248
Printing & Stationery	18,763	10,002
General Expenses	24,823	20,523
<b>Total</b>	<b>11,198,358</b>	<b>6,341,273</b>



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**BHARAT ROAD NETWORK LIMITED**  
Notes to Financial Statements (Contd.)

**25 Other Disclosures**

**25.1 Disclosure pursuant to Accounting Standard (AS) 15:**

**Defined Contribution Plans:**

The Company provides Provident Fund benefit to all employees. Under this scheme fixed contribution is made to the Regional Provident Fund Commissioner. The Company has no legal and constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. The Company has made contributions of ₹ 1,053,619/- (31st March, 2013: ₹ 510,081) to Regional Provident Fund Authority, which is recognised as expense in the Statement of Profit and Loss.

**Defined Benefit Plans:**

The 'Employees' Gratuity scheme, Leave benefit scheme, and Sick Leave availment scheme are the Company's defined benefit plans. During the current reporting period the Company has adopted for first time the present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

The following tables set out the details of amount recognized in the financial statements in respect of gratuity and leave benefits which is not funded:

(Amount in ₹)

S.No.	Particulars Defined benefit plans (As per actuarial valuation)	Gratuity (Unfunded)		Privilege Leave Benefit (Unfunded)	
		Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>I</b>	<b>Change in Defined Benefit Obligations (DBO) during the year</b>				
	Present Value of DBO at beginning of the year	352,830	-	937,530	84,860
	Current Service Cost	439,280	352,830	277,940	23,250
	Interest cost	28,930	-	45,460	-
	Curtailment cost / (credit)	-	-	-	-
	Settlement cost / (credit)	-	-	-	-
	Plan amendments	-	-	-	-
	Acquisitions	-	-	-	-
	Actuarial Losses / (Gains)	(368,560)	-	(5,890)	860,950
	Benefits Paid	-	-	(766,380)	(31,530)
	Employee contribution	-	-	-	-
	Other Adjustments	-	-	-	-
	<b>Present Value of DBO at the end of the year</b>	<b>452,480</b>	<b>352,830</b>	<b>488,660</b>	<b>937,530</b>
<b>II</b>	<b>Net assets / (liability) recognised in Balance Sheet</b>				
	Present value of Defined Benefit Obligation	452,480	352,830	488,660	937,530
	Fair value of plan assets	-	-	-	-
	Funded status [Surplus/(Deficit)]	(452,480)	(352,830)	(488,660)	(937,530)
	Unrecognized past service cost	-	-	-	-
	Net asset/ (liability) recognised in Balance Sheet	(452,480)	(352,830)	(488,660)	(937,530)
	<b>Current Asset / (Liability)</b>	<b>(2,140)</b>	<b>(1,020)</b>	<b>(29,990)</b>	<b>(152,720)</b>
	<b>Non Current Asset / (Liability)</b>	<b>(450,340)</b>	<b>(351,810)</b>	<b>(458,670)</b>	<b>(784,810)</b>



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**BHARAT ROAD NETWORK LIMITED**  
Notes to Financial Statements

(Amount in ₹)

S.No.	Particulars	Gratuity (Unfunded)		Privilege Leave Benefit (Unfunded)	
		Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2014	Year ended 31st March, 2013
	<b>Defined benefit plans (As per actuarial valuation)</b>				
III	<b>Components of Employer Expenses</b>				
	Current Service cost	439,280	352,830	277,940	23,250
	Interest cost	28,930	-	45,460	-
	Expected return on plan assets	-	-	-	-
	Curtailment cost / (credit)	-	-	-	-
	Settlement cost / (credit)	-	-	-	-
	Past service cost	-	-	-	-
	Actuarial Losses / (Gains)	(368,560)	-	(5,890)	860,950
	<b>Total expenses recognised in the Statement of Profit &amp; Loss</b>	<b>99,650</b>	<b>352,830</b>	<b>317,510</b>	<b>884,200</b>
IV	<b>Actuarial Assumptions</b>				
	Discount Rate	9.25%	8.20%	9.25%	8.20%
	Expected return on plan assets	NA	NA	NA	NA
	Salary Escalation	10.00%	10.00%	10.00%	10.00%
	Mortality	Indian Assured Lives (2006-08)	Indian Assured Lives (2006-08)	Indian Assured Lives (2006-08)	Indian Assured Lives (2006-08)
	Retirement/ Superannuation Age	Employees: 60 yrs Director : 65 yrs		Employees: 60 yrs Director : 65 yrs	

(Amount in ₹)

S.No	Particulars	Sick Leave Benefit	
		Year ended 31 March, 2014	Year ended 31 March, 2013
	<b>Assets/ Liabilities</b>		
1	Defined Benefit Obligation	95,930	330,060
2	Fair Value of Plan Assets	-	-
3	Current Asset / (Liability)	(12,690)	(38,780)
4	Non Current Asset / (Liability)	(83,240)	(291,280)
	<b>Actuarial Assumptions</b>		
1	Discount Rate	9.25%	8.20%
2	Expected return on plan assets	NA	NA
3	Salary Escalation	10.00%	10.00%
4	Mortality	Indian Assured Lives (2006-08)	Indian Assured Lives (2006-08)
5	Retirement/ Superannuation Age	Employees: 60 yrs Director : 65 yrs	



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**BHARAT ROAD NETWORK LIMITED**  
Notes to Financial Statements (Contd.)

25 Other disclosures (Contd.)  
25.2 Related Party Transactions

(I) Related Parties:

Sl.No	Name of the Party & Nature of relationship	Country of Origin
A	Investor having control	India
i	Infrastructure Project Development Capital	India
B	Subsidiary	India
ii	Solapur Tollways Pvt. Ltd. (w.e.f. 3rd August, 2013)	India
C	Associates	India
iii	Orissa Steel Expressway Pvt. Ltd.	India
iv	Kurukshetra Expressway Pvt. Ltd.	India
v	Ghaziabad Alligarh Expressway Pvt. Ltd.	India
vi	Shree Jagannath Expressways Pvt. Ltd.	India
vii	Potin - Pangin Highway Pvt. Ltd. (w.e.f. 2nd December, 2013)	India
D	Key Management Personnel (KMP)	India
viii	Kamal Verma (Chief Executive Officer upto 30th Nov, 2013)	India
ix	Asim Tewari (Chief Executive Officer w.e.f. 12th Aug, 2013)	India
x	Alok Nagpal (Chief Financial Officer w.e.f. 14th Aug, 2013)	India
xi	Samita Lahiri (Company Secretary)	India
E	Relatives of KMP	India
xii	Roli Tewari (Wife of Asim Tewari)	India
xiii	Sonia Nagpal (Wife of Alok Nagpal)	India

The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.

No amount has been written back / written off during the year in respect of due to / from related parties. The amount due from related parties are good and hence no provision for doubtful debts in respect thereof is required.

(II) Summary of Transactions with Related Parties

(Amount in ₹)

Name of the related party	Nature of Transaction & Outstanding Balances	2013-14	2012-13
<b>(A) Investor having Control/significant influence :</b>			
Infrastructure Project Development Fund (significant influence upto 27 March, 2013)	Purchase of Equity Shares of :		
	- Shree Jagannath Expressways Pvt. Ltd.	-	96,000,000
	- Kurukshetra Expressway Pvt. Ltd.	-	98,000,000
	Takeover of Loan of Mahakaleshwar Tollways Pvt. Ltd.	-	18,400,000
	Interest Income on Takeover of Loan of Mahakaleshwar Tollways Pvt. Ltd.	-	4,577,315
Infrastructure Project Development Capital (Control w.e.f. 28 March, 2013)	Equity Shares subscription received	-	99,500,000
	Share Application money received (pending allotment)	-	250,000,000
	Share Application money refunded	250,000,000	-
	Purchase of Equity Shares of :		
	- Shree Jagannath Expressways Pvt. Ltd.	-	97,044,000
	- Kurukshetra Expressway Pvt. Ltd.	-	28,000,000
	Takeover of Loan of :		
- Mahakaleshwar Tollways Pvt. Ltd.	-	76,800,000	
- Guruvayoor Infrastructure Pvt. Ltd.	-	170,700,000	
	Interest Income on Takeover of Loan of Mahakaleshwar Tollways Pvt. Ltd.	-	19,963,792



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**BHARAT ROAD NETWORK LIMITED**  
Notes to Financial Statements

(II) Summary of Transactions with Related Parties

Name of the related party	Nature of Transaction & Outstanding Balances	2013-14	2012-13
<b>(B) Subsidiary</b>			
Solapur Tollways Pvt Ltd (w.e.f. 3rd August, 2013)	<b>Transactions :</b>		
	Subscription to Unsecured Participatory Convertible Debenture	283,200,000	-
	Inter Corporate Deposit (ICD) received	658,200,000	-
	Interest Expenses on ICD	180,329	-
	Income from Project Management Consultancy	20,000,000	-
	<b>Balance due:</b>		
	Cost of Investment pledged as collateral for loan taken from bank	2,902,051	-
	Inter Corporate Deposit (ICD)	658,200,000	-
Trade Receivable (incl service tax)	20,472,000	-	
Interest Accrued but not due on ICD	180,329	-	
<b>(C) Associates :</b>			
Orissa Steel Expressway Pvt. Ltd.	<b>Transactions :</b>		
	Subscription to Equity Shares	46,000,000	104,000,000
	Income from Project Management Consultancy	20,000,000	-
<b>Balance due:</b>			
Trade Receivable- Balance (incl service tax)	20,224,800	-	
Kurukshetra Expressway Pvt. Ltd. (w.e.f. 28th March 2013)	<b>Transactions :</b>		
	Subscription to Equity Shares	147,539,000	-
	Debenture Application money paid	55,000,000	-
	<b>Balance due:</b>		
Debenture Application money	55,000,000	-	
Cost of Investment pledged as collateral for loan taken from bank	204,198,990	52,744,936	
Ghaziabad Aligarh Expressway Pvt. Ltd. (w.e.f. 11th Sep 2012)	<b>Transactions :</b>		
	Subscription to Equity Shares	-	29,100,000
	Unsecured Loan given	370,000,000	-
	Unsecured Loan refunded	370,000,000	-
<b>Balance due:</b>			
Cost of Investment pledged as collateral for loan taken from bank	294,341,991	242,699,841	
Potin - Pangin Highway Pvt. Ltd. (w.e.f. 2nd December, 2013)	<b>Balance due:</b>		
	Cost of investment pledged as collateral for loan taken from bank	57,635	-
Shree Jagannath Expressways Pvt. Ltd. (w.e.f. 28th March 2013)	<b>Balance due:</b>		
Cost of Investment pledged as collateral for loan taken from bank	119,355,336	104,771,370	
<b>(D) Key Management Personnel :</b>			
Kamal Verma (Chief Executive Officer upto 30th Nov, 2013)	Salary & Allowances	9,555,563	9,225,621
Asim Tewari (w.e.f. 12th Aug, 2013)	Salary & Allowances	4,149,803	NA
Alok Nagpal (w.e.f. 14th Aug, 2013)	Salary & Allowances	5,793,508	NA
Samita Lahiri	Salary & Allowances	1,666,973	7,814
<b>(E) Relatives of KMP</b>			
Roli Tewari	Car Hire Charges	382,258	-
Sonia Nagpal	Car Hire Charges	379,032	-



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**BHARAT ROAD NETWORK LIMITED**  
Notes to Financial Statements

**25.3 Earnings per Share**

Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
<b>Basic and Diluted Earnings per Share</b>		
Net Profit/ (Loss) after tax attributable to Equity Shareholders (in ₹)	926,460	473,777
Weighted average number of Equity Shares Basic (Nos.)	10,000,000	159,589
Weighted average number of Potential Equity Shares (Nos.)	-	273,973
Weighted average number of Equity Shares Diluted (Nos.)	10,000,000	433,562
Nominal Value of Equity per share (₹)	10	10
Basic Earnings per share (₹)	0.09	2.97
Diluted Earnings per share (₹)	0.09	1.09

25.4 The Deferred Tax Asset (net) of ₹ 2,313,532 (31 March 2013 : ₹ 2,698,307) arising out of timing difference as on 31 March, 2014 is on account of the following:

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>Components of Deferred Tax Asset/(Liability):</b>		
Carry forward Losses	2,186,657	2,589,815
Unabsorbed depreciation	-	5,108
Provision for Gratuity	139,816	109,024
Preliminary Expenses	1,545	3,090
Depreciation	(14,486)	(8,730)
<b>Deferred Tax Asset (Net)</b>	<b>2,313,532</b>	<b>2,698,307</b>

Note: On the basis of prudence, deferred tax asset has been recognized in the books of Accounts to the extent of deferred tax liability.

25.5 The Company has not received any memorandum (as required to be filed by suppliers with the notified authority under the Micro, Small and Medium Enterprise Development Act, 2006) claiming their status as on 31st March, 2014 as micro, small or medium enterprise. Consequently the amount paid / payable to these parties during the year is nil (As at 31st March 2013: Nil).

**25.6 Segment Reporting**

The Company is primarily engaged in a single business segment of own, build, develop, design, operate, transfer road and related services. All the activities of the Company revolve around the main business. As such there are no separate reportable segments as per Accounting Standard -17 "Segment Reporting" notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.

25.7 The Company is presently engaged in the business of designing, building, operating, maintaining and carrying out all other activities pertaining to road projects. As per the guidelines of respective Government Authority and the requirements of the Concession Agreements, such road projects are required to be implemented under the Build, Operate & Transfer (BOT) model by creating Special Purpose Vehicles (SPVs) so that after the concession period, the SPV can be transferred to the respective authority on an "as is where is basis". The Company has, therefore, invested in various road projects under the aforesaid SPV model.

These investments have been made on a long term basis with an objective to obtain return and capital appreciation after the commencement of commercial operations of the respective Project.

Based on a legal opinion, the Company has treated these investments as "Qualifying Asset". As required by Accounting Standard 16 on 'Borrowings Costs', Accounting Standard 13 on 'Investments' and in accordance with the accounting concept of 'Matching costs and revenues', the Company has capitalised borrowing cost incurred on funds borrowed exclusively for investments in SPVs as part of the cost of Investments.

Accordingly, non current investments and Other current assets includes borrowing cost of ₹ 66,44,76,891/- including ₹ 49,73,11,046/- for the year (As at 31st March 2013: ₹ 16,70,91,045/- including ₹ 16,70,91,045/- for the year) and ₹ 43,23,237/- (As at 31st March 2013 : ₹ 74,800) respectively incurred on loan borrowed for acquisition of these investments. The borrowing cost of ₹ 74,800/- included in Other current assets as at 31st March 2013 has been allocated to respective investment during the current year.



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WTD

**BHARAT ROAD NETWORK LIMITED**  
Notes to Financial Statements

25.8 Earnings / Expenses in Foreign Currency - ₹ Nil (Previous Year - ₹ Nil).

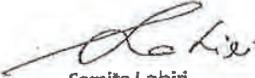
25.9 The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report annexed.

For G. P. Agrawal & Co.  
Chartered Accountants  
Firm Registration No.302082E

  
CA Ajay Agrawal  
Partner  
Membership No.17643

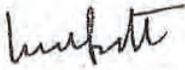


  
Samita Lahiri  
Company Secretary

On behalf of the Board of Directors

  
Bajrang K Choudhary  
Director

  
Alok Nagpal  
Chief Financial Officer

  
Brahm Dutt  
Chairman

  
Asim Tewari.  
Chief Executive Officer  
& Manager.

Place : Kolkata  
Date : 26th September, 2014

# BHARAT ROAD NETWORK LIMITED

Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

Name of the Subsidiary Company	Solapur Tollways Pvt. Ltd.
Accounting Period of the Subsidiary Company	1st April, 2013 to 31st March, 2014
Shares of the Subsidiary Company held by Holding Company	
i) Number and Face Value	490,200 Equity Shares of Rs. 10/- each fully paid up
ii) Extent of Holding	98.04%
Net Aggregate amount of Profit/ (Loss) of the Subsidiary Company so far as it concerns the members of Holding Company :	
a) Not Dealt with in the account of Holding Company for the year ended 31st March, 2014	
i) for the subsidiary's period from 1st April, 2013 to 31st March, 2014	Rs. Nil
ii) for the previous financial years of the subsidiary since it became the Holding Company's Subsidiary	Rs. Nil
b) Dealt with in the account of Holding Company for the year ended 31st March, 2014	
i) for the subsidiary's period from 1st April, 2013 to 31st March, 2014	Rs. NIL
ii) for the previous financial years of the subsidiary since it became the Holding Company's Subsidiary	Rs. NIL



*[Signature]*  
**Samita Lahiri**  
 Company Secretary

*[Signature]*  
**Bajrang K Choudhary**  
 Director

*[Signature]*  
**Alok Nagpal**  
 Chief Financial Officer

On behalf of the Board of Directors

*[Signature]*  
**Brahm Dutt**  
 Chairman

*[Signature]*  
**Asim Tewari**  
 Chief Executive Officer  
 & Manager

Place : Kolkata

Date : 26th September, 2014