

LIMITED REVIEW REPORT TO THE BOARD OF DIRECTORS OF ASHOKA BUILDCON LIMITED

1. Introduction

We have reviewed the accompanying Unaudited Condensed Interim Consolidated Financial Statements of **Ashoka Buildcon Limited** (the “Company”), which comprise of the Unaudited Condensed Interim Consolidated Balance Sheet of as at December 31, 2014, and the related Unaudited Condensed Interim Consolidated Profit and Loss Account and Unaudited Condensed Interim Consolidated Cash Flow Statement and other explanatory information for the nine months ended December 2014 (These statements are hereinafter together been referred to as “the unaudited consolidated interim financial statements”).

2. Management’s Responsibility for the Interim Financial Report

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of the unaudited consolidated interim financial statements in accordance with accounting principles generally accepted in India and applicable accounting standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies to the extent applicable.

Our responsibility is to express a conclusion on these unaudited consolidated interim financial statements based on our review.

3. Scope of review

We conducted our review of in accordance with the Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by Independent Auditor of the Entity”, A review of the Interim Financial Report consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we become aware of all significant matters that might have been identified in an audit. Accordingly, we do not express an audit opinion.

4. Conclusion

Based on our review conducted as above, and on consideration of reports of other auditors on the condensed interim financial statements of subsidiaries as per paragraph 5, nothing has come to our attention that causes us to believe that the accompanying unaudited consolidated interim financial statements have not been prepared, in all material respects, in accordance with accounting standards specified under the

Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and other recognised accounting practices and policies.

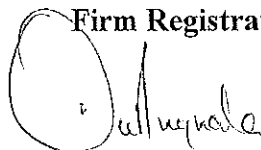
5. Other matters

We did not review the unaudited condensed interim financial statements of eight subsidiaries included in the unaudited consolidated interim financial statements, whose unaudited consolidated interim financial statements reflects total assets of Rs. 2,72,866.64 lakhs as at December 31, 2014 as well as total revenue of Rs.12,087.64 lakhs for the nine month ended December 31, 2014. These unaudited condensed interim financial statements and other financial information have been reviewed by other auditors for the period ended December whose reports have been furnished to us, and our conclusion on the unaudited consolidated interim financial statements, to the extent they have been derived from such unaudited condensed interim financial statements is based solely on the report of such other auditors.

Unaudited condensed interim financial statement of four associates whose loss after tax is Rs. 2,438.47 lakhs (net) for the nine months ended December 31, 2014, considered in the unaudited consolidated interim financial statements have been reviewed by the other auditors whose reports have been furnished to us, and our conclusion on the unaudited consolidated interim financial statements, to the extent they have been derived from such unaudited condensed interim financial statements is based solely on the report of such other auditors.

This unaudited consolidated interim financial statements and report issued thereon, is solely for the purpose of proposed subsequent offerings of the equity shares of the Company through qualified institutional placement. As a result, the unaudited consolidated interim financial statements and report issued thereon may not be suitable for another purpose. Our report is not to be distributed or to be used by parties other than Company without our prior written consent.

For M.P. Chitale & Co
Chartered Accountants
Firm Registration No. 101851W



Murtuza Vajih
Partner
Membership. No. 112555

Place: Mumbai
Date: April 13, 2015

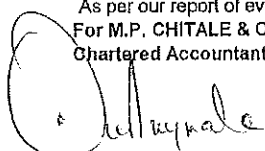
ASHOKA BUILDCON LTD.
CONDENSED BALANCE SHEET AS AT DECEMBER 31, 2014

ASHOKA

	As at 31-Dec-2014 (₹ in Lacs)	As at 31-Mar-2014 (₹ in Lacs)
I EQUITY & LIABILITIES		
1 Shareholders' Funds		
(a) Share Capital	7,927.18	7,897.65
(b) Reserves & Surplus	123,430.61	116,896.88
	131,357.69	124,794.53
2 Share Application Money Pending Allotment With Regard to Subsidiary	-	1,489.12
3 Minority Interest	46,893.59	46,452.47
4 Non-Current Liabilities		
(a) Long-Term Borrowings	346,887.45	296,209.73
(b) Other Long Term Liabilities	777,889.70	776,060.83
(c) Long Term Provisions	9,839.09	7,195.34
	1,134,616.25	1,079,465.90
5 Current Liabilities		
(a) Short-Term Borrowings	30,284.11	14,110.93
(b) Trade Payables	38,761.10	57,014.95
(c) Other Current Liabilities	46,157.02	20,614.07
(d) Short-Term Provisions	9,590.51	7,883.68
	124,792.74	99,623.63
	1,437,660.26	1,351,825.55
II ASSETS		
1 Non-Current Assets		
(a) Fixed Assets		
(i) Tangible Assets	16,784.34	17,835.57
(ii) Intangible Assets	495,219.98	400,730.74
Less : Toll Collections	-	16,062.33
	495,219.98	384,668.41
(iii) Capital Work-In-Progress	2,603.28	2,686.85
(iv) Intangible Assets Under Development	798,434.23	829,288.54
Less : Toll Collections	51,623.39	35,768.90
	746,810.84	793,519.64
	1,261,418.44	1,198,740.47
(b) Non-Current Investments	18,716.40	19,513.93
(c) Deferred Tax Assets	770.05	206.22
(d) Long-Term Loans & Advances	36,606.77	23,021.39
(e) Other Non-Current Assets	11,911.39	7,323.94
	1,329,423.04	1,248,775.95
2 Current Assets		
(a) Current Investments	5,391.61	8,955.40
(b) Inventories	79,482.12	62,717.62
(c) Trade Receivables	10,342.02	13,050.38
(d) Cash and Bank Balances	4,834.93	9,449.19
(e) Short-Term Loans and Advances	6,207.42	7,849.25
(f) Other Current Assets	1,979.12	1,027.66
	108,237.22	103,049.50
	1,437,660.26	1,351,825.55

Additional Statement of Notes Attached

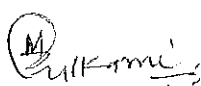
As per our report of even date attached
For M.P. CHITALE & Co.
Chartered Accountants



(Muriyu Vajhi)
Partner

Place : Mumbai
Date : 13 April 2015

For and on behalf of the Board constituted QIP committee



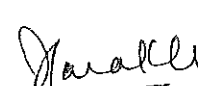
(Manoj A. Kulkarni)
Company Secretary



(Paresh C. Mehta)
Chief Financial Officer



(Sanjay P. Lonche)
(Whole Time Director)



(Satish D. Parakh)
Managing Director

Place : Mumbai
Date :



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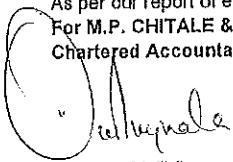
ASHOKA BUILDCON LTD.
CONDENSED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED DECEMBER 31, 2014

ASHOKA

Particulars	Period Ended 31-Dec-2014 (₹ in Lacs)	Period Ended 31-Dec-2013 (₹ in Lacs)	Year Ended 31-Mar-2014 (₹ in Lacs)
I Revenue from Operations	151,668.25	118,662.65	179,487.75
II Other Income	2,216.13	917.39	2,971.59
III Total Revenue (I + II)	<u>153,884.38</u>	<u>119,580.05</u>	<u>182,459.35</u>
IV Expenses:			
Purchase of Stock - In - Trade	5,067.40	3,541.85	3,943.16
Changes in Inventories of Stock - In - Trade	(5,067.40)	(3,541.85)	(3,943.16)
Operating Expenses	103,411.21	80,842.96	124,266.25
Cost of Material Sold	4,915.79	4,015.01	5,614.77
Employee Benefits Expenses	5,505.14	4,208.94	5,828.43
Finance Expenses	17,771.54	9,437.87	13,353.97
Depreciation and Amortisation	11,614.50	8,905.27	14,153.06
Less : Transfer to Intangible Asset Under Development	-	(60.32)	(262.45)
Other Expenses	7,096.24	2,916.87	5,563.13
	<u>150,314.42</u>	<u>110,266.59</u>	<u>168,517.15</u>
V Profit before Tax (III-IV)	3,569.97	9,313.46	13,942.20
VI Exceptional Items [Refer Note No.14 (a)]	-	-	1,568.85
VII Profit before Tax (V-VI)	3,569.97	9,313.46	12,373.35
VIII Tax Expense:			
Current Tax	5,621.25	4,543.45	7,021.24
Tax For Earlier Years	191.68	14.07	(5.08)
Deferred Tax	(563.84)	(80.05)	(136.46)
	<u>5,249.09</u>	<u>4,477.47</u>	<u>6,879.70</u>
IX Profit for the period (VII-VIII)	(1,679.12)	4,835.99	5,493.65
X Less : Share of Loss of Minorities in Subsidiaries (Net)	(6,046.80)	(3,552.74)	(4,251.27)
XI Profit after tax (after adjustment of minority interest)	4,367.68	8,388.72	9,744.92
XII Earnings per Equity Share: in ₹			
Basic	2.76	5.31	6.17
Diluted	2.75	5.28	6.14

Additional Statement of Notes Attached

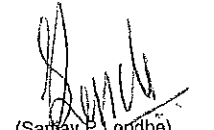
As per our report of even date attached
For M.P. CHITALE & Co.
Chartered Accountants

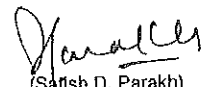

(Murtuza Vajhi)
Partner


(Manoj A. Kulkarni)
Company Secretary

For and on behalf of the Board constituted QIP committee


(Paresh C. Mehta)
Chief Financial Officer

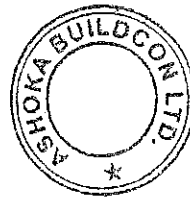

(Sanjay P. Londhe)
(Whole Time Director)


(Satish D. Parakh)
Managing Director

Place : Mumbai
Date : 13 April 2015

Place : Mumbai
Date :

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ASHOKA BUILDCON LTD.



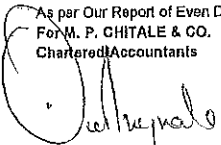
CONDENSED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Year Ended 31-Dec-2014	Year Ended 31-Dec-2013
	(₹ In Lacs)	(₹ In Lacs)
NET CASH FLOW FROM OPERATING ACTIVITIES	16,451.49	19,862.33
NET CASH USED IN INVESTING ACTIVITIES	(64,260.83)	(54,938.95)
NET CASH FLOW FROM FINANCING ACTIVITIES	44,195.08	52,981.40
Net Increase In Cash & Cash Equivalents	(4,614.26)	17,904.77
Cash and Cash Equivalents at the beginning of the year	9,449.19	5,172.96
Cash and Cash Equivalents at the end of the year	4,834.93	23,077.73

Notes :

- 1.The Operating Trade & Other Receivables consist of Trade Receivables, Short-term and Long-term Loans and Advances and Other Current Assets.
- 2.The Operating Trade & Other Payables consist of Long-term Liabilities, Trade Payables, Long-term & Short-term Provisions and Other Current Liabilities.
- 3.Cash & Cash Equivalents comprises of balances with bank in current accounts, cash on hand & deposit maturing within from December 31, 2014.

As per Our Report of Even Date
For M. P. CHITALE & CO.
Chartered Accountants


(Munirza Vajithi)
Partner


Place : Mumbai
Date : Apr 13, 2015




For and on behalf of the Board constituted QIP committee

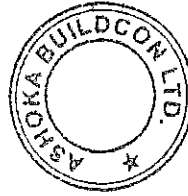

(Manoj A. Kulkarni)
Company Secretary


(Paresch C. Mehta)
Chief Financial Officer


(Sanjay P. Londhe)
(Whole Time Director)


(Salish D. Parakh)
Managing director

Place : Mumbai
Date :



13 APR 2015

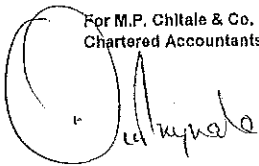
Notes forming part of the Consolidated Accounts as on December 31, 2014

COMPANY OVERVIEW:

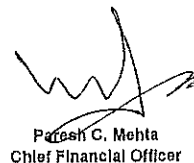
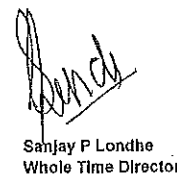
The Company is incorporated in 1993. It is presently in the business of Construction of infrastructure facilities on Engineering, Procurement and Construction Basis (EPC) and Build, Operate and Transfer (BOT) Basis and Sale of Ready Mix Concrete and Bitumen. The Company has promoted Controlled Special Purpose Entities (SPEs) for some of its projects. The SPEs significantly engage the services of the Company for contract related activities due to inherent execution capabilities / expertise and experience of the Company.

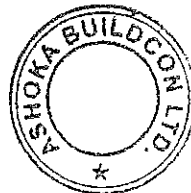
1. PRINCIPLES OF CONSOLIDATION

- a) The consolidated financial statements include accounts of Ashoka Buildcon Ltd. (The Company / ABL) and its subsidiaries and associates. Subsidiary undertakings are those companies in which ABL, directly or indirectly, having an interest of more than one half of voting power or otherwise have the power to exercise control over the operations. Subsidiaries are consolidated from the date on which effective control is transferred to the Group till the date of such control exists. The consolidated financial statements have been prepared in accordance with historical cost convention, the applicable accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.
- b) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra-group transactions in accordance with the Accounting Standard (AS) 21 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- c) The Build, Operate and Transfer (BOT) contracts are governed by service concession agreements with government authorities (grantors). These contracts are executed through special purpose vehicles incorporated for this purpose. Under these agreements, the SPE's (operator) does not own the road, but gets "Toll Collection Rights" in exchange of the construction cost incurred while rendering construction services. Relying on the principles of IFRIC 12 on Service Concession Arrangements, the same has been recognized as intangible assets in the financial statements of the SPE. Since these rights are treated as exchange for construction costs incurred, profit from such contracts is considered as realized. Accordingly, where work are sub-contracted to the holding company and fellow subsidiaries/ associates the intra group transactions pertaining to the BOT contracts and the profits thereon are taken as realized and not eliminated.
- d) In case of associates, where the Company directly or indirectly through subsidiaries holds more than 20% of equity, investments in associates are accounted for using the equity method in accordance with Accounting Standard 23 on Accounting of Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India. Investments in associate companies which have been made for temporary purposes have not been considered for consolidation.
- e) The Company accounts for its share in the change on the net assets of the associates, post acquisition, after eliminating profits and losses resulting from transactions between the Company and its associates to the extent of its shares, through its Profit and Loss Account to the extent attributable to the associates' profit and loss account and through its reserves for the balance, based on available information.
- f) Minority Interest's share of net assets / reserves of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders. Share of minority interest in the preference redemption reserve of subsidiary companies has been reduced from the Share premium of the holding company being an appropriation of the share premium account.
- g) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements. Based on the accounting policy of the holding company, amortization of intangible assets in the subsidiary companies has been recomputed as per the projected Toll revenue over the toll period as specified schedule XIV of the companies act 1956. Accordingly, amortization of ₹ 1,285.09 Lacs (Net) has been increased in the consolidated financial statement for the year ended March 31, 2014. Re-computation of amortization does not have any tax impact as these are done at consolidation level.
- h) There has been a dilution of the company's stake in two subsidiaries i.e. AH(D)L and AH(B)L from 80% held in F.Y. 2008 and 2009 equity in both the subsidiaries to 51%. The dilution has taken place due to direct infusion of fresh equity into the subsidiaries by a private equity investor at a premium. Hence, such amount of share premium is not eliminated has been separately disclosed as "Share Premium on Dilution of Subsidiary Shareholding".
- i) The Company, Ashoka Concessions Limited (ACL), a subsidiary and Macquarie SBI Infrastructure Investments Pte Limited, Singapore (MSIPL) and SBI Macquarie Infrastructure Trust, Mumbai (SMIT) [MSIPL & SMIT have been referred to as Investors] have been referred to as Investors] have been referred to as Investors] have been referred to as Investors] have to subscribe to the equity shares of ACL in a manner to have the inter-se holding in the ratio of 66:34. As at the year end the company's share of net worth in ACL is in excess of its investment value by ₹ 12,836.30 Lacs. This excess amount is reflected as share premium dilution of subsidiary Share premium on Dilution of subsidiary Share Holding under reserve and surplus.

For M.P. Chitale & Co.
Chartered Accountants.

Murtuza Vajhli
PartnerPlace : Mumbai
Date : Apr 13, 2015

For and on behalf of the Board constituted QIP committee


Manoj A. Kulkarni
Company Secretary

Parash C. Mehta
Chief Financial Officer

Sanjay P. Londhe
Whole Time Director

Satish D. Parakh
Managing DirectorPlace : Mumbai
Date :

13 APR 2015

AS - 17 Segment Reporting

The Company has identified three reportable segments i.e. Construction and contract related activities, BOT Projects, and Sale of Goods. Segments have been identified taking in to account the nature of activities of the Company, differing risks and returns and internal reporting systems.

(₹ In Lacs)

Primary Segment	Construction Contract	BOT	Sales	Total
Revenue	113,176.88	30,710.90	7,781.08	151,668.25
	(148,920.62)	(28,651.28)	(7,686.04)	(185,267.94)
Segment Results	14,596.72	7,445.77	1,456.67	23,499.15
	(18,350.58)	(7,827.99)	(589.14)	(26,767.71)
Add : Unallocated Other Income	-	-	-	2,216.13
	-	-	-	(2,939.80)
Less : Unallocated Expenditure	-	-	-	22,145.33
	-	-	-	(18,331.66)
Profit Before Tax	-	-	-	3,569.96
	-	-	-	(11,375.86)
Less : Provision for Taxation	-	-	-	-
Current Tax	-	-	-	5,621.25
	-	-	-	(5,941.17)
Deferred Tax	-	-	-	(563.84)
	-	-	-	(-172.47)
Add: Last Year Tax	-	-	-	191.68
	-	-	-	(1,081.14)
Net Profit After Tax	-	-	-	(1,679.12)
	-	-	-	(4,526.02)

Note: Figures in brackets denote figures of previous year.

Primary Segment	Construction Contract	BOT	Sales	Total
Segment Assets	82,732.44	1,312,654.20	3,681.59	1,399,068.23
	(72,455.58)	(1,119,890.28)	(4,043.71)	(1,196,389.57)
Corporate and other unallocable assets	-	-	-	38,592.03
	-	-	-	(47,483.62)
Segment Liabilities	53,521.05	1,177,977.05	1,839.43	1,233,337.52
	(63,611.94)	(1,046,843.68)	(1,276.44)	(1,111,732.07)
Corporate and other unallocable Liabilities	-	-	-	72,965.05
	-	-	-	(28,559.60)
Capital Expenditure during the year on Segment Assets	29,211.39	134,677.15	1,842.16	165,730.70
	(8,843.64)	(73,046.60)	(2,767.27)	(84,857.50)
Unallocable Capital Expenditure during the year	-	-	-	(94,373.02)
	-	-	-	(18,924.03)
Depreciation Segment	2,941.69	8,432.59	840.22	11,614.50
	(2,632.20)	(5,046.22)	(44.38)	(7,722.81)

Note: Figures in brackets denote figures of previous year.

Note :

- 1 Construction & Contracting Activity comprises execution of engineering and construction projects to provide solutions in civil and electrical engineering (on turnkey basis or otherwise) to core / Infrastructure sectors.
- 2 BOT Activity relates to execution of the projects on long term basis comprising developing, operating and maintaining the Infrastructure facility.
- 3 Sale of Goods comprises the activity of selling of Ready Mix Concrete (RMC), PCC Poles, Software and Bitumen.

CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ In Lacs)

Sr. No.		As At 31-Dec-14	As At 31-Mar-14
(a)	Bank Guarantees and Letters of Credit Issued by bankers in favour of third parties	75,591.83	70,879.94
(b)	Corporate Guarantee Issued by the Company in favour of Banks/ Financial Institutions for finance raised by Companies under the same management	10,550.00	10,550.00
(c)	Claims against the Company not acknowledged as debts.	299.87	111.90
(d)	Liability against capital commitments outstanding (net of advances)	133,751.88	182,302.39
(e)	Disputed Tax Demands (net of taxes paid)	4,404.71	1,530.45
(f)	Liability of Duty against export obligations	39.18	39.18
(g)	Resurfacing obligation as per concession agreement	237.06	709.77



Ashoka Buildcon Ltd. - Consolidated

For preparation of these condensed interim financial statements, the company has used the same accounting policies as those used in the preparation of accounts for the periods ended March 31, 2014 and September 30, 2014.

Note on NCD

On October 31, 2014 the Company had issued 1500 Unsecured Rated Taxable Redeemable Non Convertible Debentures (NCD's) of ₹ 10,00,000/- each fully paid carrying a interest of 10.31 % (payable quarterly). These NCDs are listed on BSE and are redeemable in three monthly installments on August 31,2016,September 30,2016 and October 30,2016.

Note on KDMC

Advance recoverable in cash or kind or for value to be received includes ₹ 1,433 Lacs against a contract awarded by Kalyan Dombivli Municipal Corporation (KDMC) for Commercial Development on a PPP basis. The cost includes upfront fees paid to KDMC. The management have initiated arbitration proceedings with KDMC. Pending this provision for doubtful advance has been considered

Note on Sherinallah

Toll collection at Sherinallah Toll has been stop due to local agitation at the toll. The Company is in the process of raising the claim to PWD Maharashtra. Pending such claim, The balance written down value of assets ₹ 260.77 lakhs has been classified as non current assets and amortised on straight light method.

Note on Pune Shirur

Effective August 8, 2014, in one subsidiary, Ashoka Infrastructure Ltd, toll collection was stopped at its Pune Shirur project, as per the interim order of the High Court, Bombay subject to adjudication of proceedings pending before District Court under section 34 of the Arbitration and Conciliation Act, 1996 against the arbitral award in favour of the subsidiary. In view of the expectation of favourable decision of the District Court, no provision for impairment of the carrying value of the Toll Collection Rights is considered necessary.

Note on Depreciation (Schedule II impact)

In accordance with provision of Schedule II to the Companies Act 2013, effective from 1st April 2014, the Company has revised the useful lives of its fixed assets. As a consequence of such revision, the charge for depreciation for the period is higher than the previously applied rates by ₹ 1132.58 Lacs.

Note on Cuttack angul

The Cuttack Angul Road project awarded to the Subsidiary, Ashoka Cuttack Angul Tollway Ltd., was surrendered to NHAI. The company has based on mutual agreement with NHAI made a payment of ₹ 11.24 Crore, an amount equal to bid security. This has been charged to profit & loss account of the company in the reported period.

