

INDEPENDENT AUDITOR'S REPORT

To the Members

Ashoka Highways (Bhandara) Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Ashoka Highways (Bhandara) Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

Emphasis of Matter

We invite attention to note no 7(a) relating to the projections on the basis of which the depreciation and the impairment testing is done. The impact on the financials is based on the management achieving the projections considered in the financial closure agreement. Our report is not modified on this account.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- (c) The Balance Sheet, 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 aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements -Refer Note 21to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no amounts that are required to be transferred to the Investor education and Protection Fund.

For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration no.106971W

N Jayendran
Partner
Membership No. 40441
Mumbai, Dated : 28thApril 2016

ANNEXURE A TO AUDITOR'S REPORT

- (i)(a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) Fixed assets have been physically verified by the management during the period and no material discrepancies were identified on such verification.
 - (c) We have verified the title deeds of immovable properties forming part of Fixed Assets produced before us by the management and based on such verification we confirm that the same are held in the name of the company.
- (ii) The Company does not have any inventories and thus the provisions of clause (ii) of the Companies (Auditors Report) Order 2016 are not applicable to the Company.
- (iii) The Company has not granted any loan secured or unsecured to any company, firm, Limited Liability Partnership or other parties covered in the register maintained u/s 189 of the Companies Act 2013. Therefore clause (iiia), (iiib) and (iiic) of Companies (Auditors Report) Order, 2016 are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans, made any investments, provided any guarantees and security and thus the provisions of section 185 and 186 with respect to loans, investments, guarantees and security given are not applicable to the Company.
- (v) The Company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections.
- (vi) As informed to us the maintenance of the cost records under the sub-section (1) of section 148 of the Companies Act, 2013 has been prescribed and we are of the opinion that prima facie, the prescribed accounts and records have been maintained.

We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.

- (vii) (a) The Company has been regular in depositing undisputed statutory dues including Provident fund, , Income Tax, Sales Tax, Works Contract tax , Service Tax, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Service Tax, Duty of Customs or Duty of Excise or Value Added Tax which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in payment of dues to the Financial Institution or Banks or payment of dues to the debenture holders.
- (ix) The company has not raised any money by way of public issue / follow-on offer (including debt instruments). The Company has also not raised any term loans during the year and therefore the provisions of clause 3(ix) of the Companies (Auditors Report) Order, 2016 are not applicable to the Company.
- (x) According to the information and explanations given to us and to the best of our knowledge and belief no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid/ provided managerial remuneration and thus the provisions of section 197 read with schedule V to the Companies Act, 2013 and the provisions of clause 3(xi) of the Companies (Auditors Report) Order, 2016 are not applicable to the Company.
- (xii) The Company is not a Nidhi Company hence clause 3(xii) of Companies (Auditors Report) Order 2016 is not applicable to the Company.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of the Audit Committee and Board of Directors are concerned. The details of related party transactions have been disclosed in the financial statements as required by the Accounting Standard AS-18 – Related Party Disclosures of the Companies (Accounting Standards) Rules, 2006.

- (xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and therefore the provisions of clause 3(xiv) of the Companies (Auditors Report) Order, 2016 are not applicable to the Company.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him and therefore the provisions of clause 3(xv) of the Companies (Auditors Report) Order, 2016 are not applicable to the Company. .
- (xvi) The nature of business and the activities of the Company are such that the Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act 1934.

For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration no.106971W

N Jayendran
Partner
Membership No. 040441
Mumbai, Dated : 28th April, 2016

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Ashoka Highways (Bhandara) Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration no.106971W

N Jayendran
Partner
Membership No. 040441
Mumbai, Dated: 28th April, 2016

(CIN:-U45203MH2007PLC168773)

Balance Sheet as at March 31, 2016

(₹ in Lacs)

Particulars	Note No.	As at 31-Mar-16	As at 31-Mar-15
I EQUITY & LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	2,611.31	2,611.31
(b) Reserves & Surplus	2	(12,173.19)	(9,820.25)
(c) Money Received against Share Warrants		-	-
		(9,561.88)	(7,208.94)
2 Share Application Money pending Allotment		-	-
3 Non-current Liabilities			
(a) Long-term Borrowings	3	54,173.92	53,327.58
(b) Deferred Tax Liabilities (net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions	4	1.01	0.63
		54,174.93	53,328.21
4 Current Liabilities			
(a) Short-term Borrowings		-	-
(b) Trade Payables	5	351.25	138.94
(c) Other Current Liabilities	6	732.81	716.39
(d) Short-term Provisions		542.07	4,016.29
		1,626.13	4,871.62
	Total	46,239.18	50,990.89
II ASSETS			
1 Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	7	67.35	86.08
(ii) Intangible Assets	7	42,982.55	44,732.85
(iii) Capital work-in-progress		-	-
(iv) Intangible Assets under development	7	1,584.78	1,584.78
(b) Non-current Investments		-	-
(c) Deferred Tax Assets (net)		-	-
(d) Long-term Loans & Advances	8	39.38	16.43
(e) Other non-current Assets		-	-
		44,674.06	46,420.14
2 Current Assets			
(a) Current Investments	9	1,267.60	458.42
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	10	37.89	19.24
(e) Short-term loans and advances	8	259.63	4,093.08
(f) Other current assets		-	-
		1,565.12	4,570.74
	Total	46,239.18	50,990.89

The accompanying statement of significant accounting policies and other Explanatory Notes form an integral part of the Financial Statements

As per our report of even date attached
For Natvarlal Vepari & Co
Chartered Accountants
FRN: 106971W

For & on behalf of the Board of Directors

N Jayendran
partner
M.No: 040441
Date : 28th April 2016
Place: Mumbai

(Peeyush Kumar Jain)
CFO

(M. V. Patil)
[Din:-00895533]
Director
Date : 28th April 2016
Place: Mumbai

(P. C. Mehta)
[Din:-03474488]
Director

(CIN:-U45203MH2007PLC168773)

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

(` in Lacs)

Particulars	Note No.	For period ended 31-Mar-16	For period ended 31-Mar-15
INCOME			
I Income from Operations:	11		
; Toll Receipts		5,921.99	5,235.79
Contract Receipts		-	-
II Other Income:	12	759.72	119.02
Total Revenue (I + II + III)		6,681.71	5,354.81
III EXPENDITURE			
Operating Expenses	13	2,010.54	2,033.61
Employee Benefits Expenses	14	155.19	105.35
Finance Expenses	15	4,993.04	5,315.66
Depreciation and Amortisation	16	1,792.96	1,761.19
Other Expenses	17	82.92	119.47
Total Expenses		9,034.65	9,335.27
IV Profit before tax		(2,352.94)	(3,980.46)
Tax expenses		-	-
V Profit / (Loss) for the period		(2,352.94)	(3,980.46)
VI Earnings per Equity Share:			
Basic	19	(9.01)	(15.55)
Diluted	19	(9.01)	(15.55)

The accompanying statement of significant accounting policies and other Explanatory Notes form an integral part of the Financial Statements

As per our report of even date attached

For Natvarlal Vepari & Co

Chartered Accountants

FRN: 106971W

For & on behalf of the Board of Directors

N Jayendran
partner

M.No: 040441

Date : 28th April 2016

Place: Mumbai

(Peeyush Kumar Jain)
CFO

(M. V. Patil) (P. C. Mehta)
[Din:-00895533] [Din:-03474488]

Director

Director

Date : 28th April 2016

Place: Mumbai

(CIN:-U45203MH2007PLC168773)

Cash Flow Statement for the period ended 31st March, 2016

(₹ in Lacs)

	For period ended 31-Mar-16	For period ended 31-Mar-15
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) Before Extraordinary Items and Taxation	(2,352.94)	(3,980.46)
Adjustment for :		
Depreciation & Amortisation	1,792.96	1,761.19
Provision for Periodic Maintenance	1,346.03	1,293.70
Finance Cost	4,993.04	5,315.66
Retirement Benefits	0.51	(0.08)
Bad Debts Written off	-	73.90
Profit on Sale of Fixed Assets	-	-
Profit on Redemption of Investments	(66.41)	(9.16)
Sub-Total	8,066.13	8,435.21
Operating Profit Before Changes in Working Capital	5,713.19	4,454.75
Adjustments for changes in working capital:		
(Increase)/Decrease in Trade Receivables	477.97	(4,063.83)
Increase/(Decrease) in Trade Payables	230.97	135.61
(Increase)/Decrease in Loans & Advances	3,355.48	-
Payment towards Provision for Periodic Maintenance	(4,820.38)	(1,083.02)
	(755.96)	(5,011.24)
Cash Generated from Operations	4,957.23	(556.49)
Income Tax Paid	(22.95)	(11.07)
NET CASH FLOW FROM OPERATING ACTIVITIES	4,934.28	(567.57)
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(23.93)	(58.37)
Sale of Fixed Assets	-	-
Investment in Mutual Funds	(9,137.99)	(5,911.05)
Redemption Proceeds from Investment in Mutual Fund	8,395.22	5,461.79
(Increase)/Decrease in Receivables-Project	-	-
Increase Current Liabilities-Project	-	-
NET CASH USED IN INVESTING ACTIVITIES	(766.70)	(507.63)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issues of Shares & Share Application Money	-	-
Proceeds from Borrowings-Long term	1,355.52	63,404.35
Repayment of Borrowings-Long term	(509.18)	(57,097.90)
Interest paid	(4,995.27)	(5,254.90)
Grant Received	-	-
NET CASH RECEIPT FROM FINANCING ACTIVITIES	(4,148.93)	1,051.56
Net Increase In Cash & Cash Equivalents	18.65	(23.64)
Cash and Cash Equivalents at the beginning of the period	19.24	42.88
Cash and Cash Equivalents at the end of the period	37.89	19.24
	18.65	(23.64)

The accompanying statement of significant accounting policies and other Explanatory Notes form an integral part of the Financial Statements

As per our report of even date attached

For Natvarlal Vepari & Co

Chartered Accountants

FRN: 106971W

For & on behalf of the Board of Directors

N Jayendran
partner

M.No: 040441

Date : 28th April 2016

Place: Mumbai

(Peeyush Kumar Jain)
CFO

(M. V. Patil)
[Din:-00895533]

Director

Date : 28th April 2016

Place: Mumbai

(P. C. Mehta)
[Din:-03474488]

Director

BALANCE SHEET**EQUITY & LIABILITIES****1 Share Capital**

(₹ in Lacs)

a The details of share capital are as under:

Class of Shares	As at 31-March-16		As at 31-March-15	
	Number	(₹ in Lacs)	Number	(₹ in Lacs)
Face Value	10		10	
Class of Shares	Equity		Equity	
Authorised Capital:				
Equity	76,000,000	7,600	76,000,000	7,600
Issued, Subscribed And Paid up Capital (Fully Paid-up):				
Equity	26,113,062	2,611	26,113,062	2,611

b The company is a subsidiary of Ashoka Concessions Ltd which is a subsidiary of Ashoka Buildcon Limited a company listed on the stock exchanges at BSE and NSE.

c Shares Held by the Holding company or its ultimate Holding company

Name of the legal shareholder	As at 31-March-16		As at 31-March-15	
	Numbers	Rupees	Numbers	Rupees
Ashoka Concessions Ltd - Holding Company	13,317,653	133,176,530	13,317,653	133,176,530
Ashoka Buildcon Ltd - Ultimate Holding Company	9	90	9	90
Total	13,317,662	133,176,620	13,317,662	133,176,620

d Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As At		As At	
	As at 31-March-16		As at 31-March-15	
	Numbers	Rupees	Numbers	Rupees
At the beginning of the period	26,113,062	2,611.31	26,113,062	2,611.31
Issued during the year	-	-	-	-
Outstanding at the end of the period	26,113,062	2,611.31	26,113,062	2,611.31

e The Company has only one class of shares referred to as equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

f In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

g There were no instances of shares being issued / allotted by way of bonus shares or for consideration other than cash and no shares have been bought back by the company during the period of five years immediately preceding the date the balance sheet.

h Details of equity shares in the Company held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31-March-16		As at 31-March-15	
	Number of shares held	%	Number of shares held	%
Ashoka Concessions Ltd	13,317,653	51.00	13,317,653	51.00
India Infrastructure Fund	12,795,399	49.00	12,795,399	49.00

i As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of the shares.

Explanatory Notes to Financial Statements for period ended 31st March, 2016

2 Reserves & Surplus

Particulars	As at 31-March-16		As at 31-March-15	
	Rs.	Rs.	Rs.	Rs.
i Securities Premium Account		5,112.35		5,112.35
ii Capital Reserve		920.00		920.00
iii Surplus				
Balance as per last Balance Sheet	(15,852.60)		(11,872.10)	
Add:- Profit/(Loss) for the year	(2,352.94)		(3,980.50)	
Sub Total:		(18,205.54)		(15,852.60)
Total (i+ii+iii)		(12,173.19)		(9,820.25)

Capital Reserve:

As per terms of the concession agreement between the Company and NHAI, the Company is entitled for a Grant from NHAI of ₹1,000.00 Lacs during the Construction Period which is in the nature of Equity support and is to be retained as such during the concession period. Upto the previous period the company has received the grant amounting to ₹920.00 Lacs.

3 Borrowings

(₹in Lacs)

	Non-Current		Current Maturities	
	As at 31-March-16	As at 31-Mar-15	As at 31-March-16	As at 31-Mar-15
Loans:				
Non-Convertible Debentures	16,490.00	16,745.00	255.00	255.00
Term Loan From Banks	14,938.00	15,169.00	231.00	231.00
Term Loans From Financial Institutions				
Intercorporate Loans from Related Party	5,996.43	5,399.56	-	-
Loan from Shareholders	16,749.49	16,014.02	-	-
Total Loans:	54,173.92	53,327.58	486.00	486.00
Amount disclosed under the head "Other Current Liabilities" (note 6)			486.00	486.00
Total	54,173.92	53,327.58	-	-
The above amount includes				
Secured Borrowings	31,428.00	31,914.00	486.00	486.00
Unsecured Borrowings	22,745.92	21,413.58	-	-
Total	54,173.92	53,327.58	486.00	486.00

1 Non-Convertible debentures

Redeemable Non Convertible Debentures are secured against the Movable properties including Plant & Machineries, Receivables, Intangible Assets & Company's interest in insurance Contracts except Project Assets.

Repayment Terms	Interest Rate	As at 31 March	As at 31-Mar-15
Due for repayment in 132 monthly installments from April 01, 2015 in structured instalments upto March 2026	10.58%	16,745.00	17,000.00

2 Term Loan from Banks

The Loans from Banks are secured against the Movable properties including Plant & Machineries, Receivables, Intangible Assets & Company's interest in insurance Contracts except Project Assets.

Borrowing from banks have a floating interest rate and the present interest rate is 10.85%.

3 Intercorporate Loan from Related Party

The said loans are repayable on demand when there is surplus cash available with the company. Based on the management's assessment of repayment the same has been classified as non-current.

4 Loans from Shareholders

The company has availed unsecured loans and on account payments from shareholders which are interest free. The said loans are repayable to the shareholders when there is surplus cash available with the company. Based on the management's assessment of repayment the same has been classified as non-current. The unsecured loans amounting to Rs.9,379.22 Lacs (P.Y. Rs 9,379.22 Lacs) are interest free and the balance is chargeable to interest @1% more than the loans from the banks and Financial Institutions

5 A detailed breakdown of financial payables including term loans and debentures by maturity is presented below:

(₹in Lacs)

Maturity period	Amount Repayable as at	
	31-Mar-16	31-Mar-15
Repayment within one year from the end of the financial year	486.00	486.00
Repayment beyond one year to five years from the end of the financial year	7,776.00	5,508.00
Repayment beyond five years from the end of the financial year	23,652.00	26,406.00
	31,914.00	32,400.00

There has been no default in repayments of work loan instalments and interest in respect of any loans outstanding.

Explanatory Notes to Financial Statements for period ended 31st March, 2016

4 Provisions

(₹ in Lacs)

Particulars	Long Term		Short Term	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Provision for Scheduled Maintenance	-	-	541.73	4,016.08
Provision for Employee benefits:				
Provision for Gratuity	-	-	-	-
Provision for Unearned Leave	1.01	0.63	0.34	0.22
Total :	1.01	0.63	542.07	4,016.29

Provision for Scheduled Maintenance:

The company makes provision for the periodic maintenance required to be carried out by it as an obligation under the concession agreement. The details of the provisions made are as follows:

(₹ in Lacs)

Particulars	Balance as at 01-Apr-15	Provisions made during the period	Provisions reversed / adjusted during the period	Balance as at 31-Mar-16
Scheduled Maintenance-1	4,016.08	357.35	4,373.43	0.00
	(3,805.40)	(1,293.70)	(1,083.02)	(4,016.08)

Figures in [] Pertains to corresponding period in the previous year

Particulars	Balance as at 01-Apr-15	Provisions made during the period	Provisions reversed / adjusted during the period	Balance as at 31-Mar-16
Scheduled Maintenance-2	-	541.73	-	541.73

Figures in [] Pertains to corresponding period in the previous year

During the year, the company has completed its 1st major maintenance work at an aggregate cost of Rs. 54.56 crores as against the estimated of Rs. 59.04 crores. The excess provision of Rs. 4.48 crores has been reversed to the Statement of Profit / Loss account. The provision for the current schedule major maintenance has been done based on fresh estimates of the estimated expenditures.

Provision for Gratuity and Unearned Leave disclosure as required by AS-15 (Revised) are detailed hereunder:

(₹ in Lacs)

Particulars	As at 31-March-16		As at 31-March-15	
	Gratuity	Unearned Leave	Gratuity	Unearned Leave
Present Value of Obligation at the beginning of the period	2.54	0.85	1.98	0.93
Interest Cost	0.20	0.07	0.16	0.07
Current Service Cost	1.14	0.75	0.73	0.47
Benefits paid	0.00	(0.14)	0.00	(0.04)
Actuarial (Gain) / Loss	1.19	(0.17)	(0.32)	(0.59)
Present Value of Obligations as at end of period	5.08	1.35	2.54	0.85
Fair Value of Plan Assets at the beginning of the period	3.96	Nil	2.69	Nil
Expected Return on Plan Asset	0.37	Nil	0.25	Nil
Contributions	1.79	Nil	1.02	Nil
Benefits paid	0.00	Nil	0.00	Nil
Fair Value of Plan Assets as at end of period	6.12	Nil	3.96	Nil
Funded / Unfunded Status	0.00	Nil	0.00	Nil
Actual (Gain) / Loss for the period-Obligation	1.19	(0.17)	(0.32)	(0.59)
Actual Gain / (Loss) for the period-Plan Assets	Nil	Nil	Nil	Nil
Total (Gain) / Loss for the period	1.19	(0.17)	(0.32)	(0.59)
Amount to be recognized in the Balance Sheet:				
Present Value of Obligations as at the end of the period	5.08	1.35	2.54	0.85
Fair Value of Plan Assets as at the end of the period	6.09	Nil	3.94	Nil
Unfunded Status	0.00	1.35	-	0.85
Net Asset / (liability) recognized in the balance sheet	1.02	(1.35)	1.40	(0.85)
Expenses recognized in the Profit & Loss Account				
Current Service Cost	1.14	0.75	0.73	0.47
Interest Cost	0.20	0.07	0.16	0.07
Expected Return on Plan Assets	0.37	Nil	0.25	Nil
Net Actuarial (Gain) / Loss recognized in the period	1.19	(0.17)	(0.32)	(0.59)
Expenses recognized in the Profit & Loss Account	2.17	0.64	0.32	(0.05)

Explanatory Notes to Financial Statements for period ended 31st March, 2016

Financial Assumptions as the Valuation Date				
Discount Rate (p.a.)	8%	8%	8%	8%
Salary Escalation (p.a.)	7%	7%	7%	7%
Withdrawal Rate (p.a.)	1%	1%	1%	1%

- 1) Employer's contribution includes payments made by the
- 2) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- 3) The Company's Unearned Leave liability is entirely unfunded

5 **Trade Payables**

(₹ in Lacs)

Particulars	Non-current		Current	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Trade Payables:				
- Micro, Small & Medium Enterprises	-	-	-	-
- Others	-	-	351.25	138.94
Total Trade Payables:	-	-	351.25	138.94

- a The balance of payables are unconfirmed and are as per books of accounts.
- b As per the intimation available with the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.
The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

6 **Other Current Liabilities**

(₹ In Lacs)

Particulars	As at	As at
	31-Mar-16	31-Mar-15
Current Maturities of Long-term debts	486.00	486.00
Duties & Taxes Payable	70.80	63.70
Interest accrued but not due on borrowings	154.25	156.48
Due to Employees	21.76	10.22
Total Other Current Liabilities	732.81	716.39

ASSETS7 **Tangible & Intangible Assets**a **Tangible Assets**

(₹ in Lacs)

Particulars	Land	Office Equipment	Vehicles	Computer Asset	Furniture & Fixtures	Total
Gross Block						
As at 1st April 2014	1.50	20.86	47.84	0.24	10.89	81.33
Additions	-	58.37	-	-	-	58.37
Disposals	-	-	-	-	-	-
As at 31st March 2015	1.50	79.23	47.84	0.24	10.89	139.70
Additions	-	23.93	-	-	-	23.93
Acquisition through business combination	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at 31st March 2016	1.50	103.16	47.84	0.24	10.89	163.63
Depreciation						
As at 1st April 2014	-	5.78	24.66	0.14	5.19	35.78
Charge for the year	-	10.62	6.01	0.04	1.19	17.86
Disposals	-	-	-	0.02	-	0.02
As at 31st March 2015	-	16.40	30.67	0.16	6.38	53.61
Charge for the year	-	37.24	4.45	0.03	0.94	42.66
Disposals	-	-	-	-	-	-
Additions	-	-	-	-	-	-
As at 31st March 2016	-	53.64	35.13	0.18	7.33	96.28
Net Block						
As at 31st March 2015	1.50	62.83	17.16	0.08	4.50	86.08
As at 31st March 2016	1.50	49.52	12.71	0.05	3.56	67.35

Explanatory Notes to Financial Statements for period ended 31st March, 2016

b Intangible Assets		(₹ in Lacs)
Particulars	Concession Rights	
Gross Block		
As at 1st April 2014	51,210.79	
Additions	-	
Disposals	-	
As at 31st March 2015	51,210.79	
Additions	-	
Acquisition through business combination	-	
Disposals	-	
As at 31st March 2016	51,210.79	
Depreciation / Amortisation		
As at 1st April 2014	4,734.59	
Charge for the year	1,743.35	
Disposals	-	
As at 31st March 2015	6,477.94	
Charge for the year	1,750.30	
Disposals	-	
As at 31st March 2016	8,228.24	
Net Block		
As at 31st March 2015	44,732.85	
As at 31st March 2016	42,982.55	

c Intangible Assets under development:			(₹ in Lacs)
Particulars	31-Mar-16	31-Mar-15	
At the end of the period	1,584.78	1,584.78	
Total	1,584.78	1,584.78	

a) Impairment Assessment

Intangible assets under development represents costs spent by the company in respect of the 7.944 km of Forest Area for which the clearances are awaited to be received by the company. Pending receipts of the clearances and the completion of the works thereon, the cost pertaining to the balance portion is being continued and carried forward as Intangible assets under development and would be capitalised on completion. The management is of the opinion that there is no impairment in the value of the asset

The company has carried out the assessment of impairment of its concession right based on the growth rate considered in financial closure model to the lenders though there is all round slowdown in economic activity in the Country. The traffic growth on the stretch was below the estimates considered under the financial closure agreement. However the management based on its expectation of pick-up in the traffic and meeting the projections over the concession period has not modified the projections for the purposes of amortisation of the intangible asset being BOT rights and for testing impairment.

Explanatory Notes to Financial Statements for period ended 31st March, 2016

8 Loans & Advances

(₹ in Lacs)

Particulars	Non-current		Current	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
(Unsecured, considered good unless otherwise stated)				
Trade Deposit	4.04	4.04	-	-
Advance recoverable in cash or kind or value to be received	-	-	-	-
Major Maintenance Advance to Contractor-Related Party	-	-	238.43	4,075.88
VAT Refund Receivable	-	-	1.56	1.56
Prepaid Expenses	-	-	18.62	14.25
Advance Gratuity	-	-	1.02	1.40
Advance Tax & TDS (Net of Provision)	35.34	12.39	-	-
Total	39.38	16.43	259.63	4,093.08

The company had granted advance towards the major maintenance activity to its ultimate holding company M/s Ashoka Buildcon Limited in the previous year. The said advance is interest bearing and is being adjusted from the invoices of Major maintenance raised by the contractor. The balance amount after the booking of invoices of major maintenance is Rs. 238.43 lacs.

9 Current Investment

Particulars	As at	
	31-Mar-16	31-Mar-15
Investment in Mutual Fund- Quoted		
JM High Liquidity Fund -Growth Option Plan (Units 2978394.015)	1229.35	-
JM High Liquidity Fund -Growth Option Plan (Units 92669.761)	38.25	-
SBI Premier Liquid Fund-Regular Plan-Growth (20953.86 Units)	-	458.42
Total	1,267.60	458.42
Mkt Value of Closing Units Rs. 1269.21 lacs (P.Y: Rs. 459.86 lacs)		

10 Cash and cash equivalents

(₹ in Lacs)

Particulars	As at	
	31-Mar-16	31-Mar-15
Cash & Cash equivalents		
Cash on Hand	14.02	12.85
Bank Balances	23.87	6.40
Total	37.89	19.24

11 Income from Operations:

(₹ in Lacs)

Particulars	For period ended	
	31-Mar-16	31-Mar-15
Toll Collection	5,921.99	5,235.79
Contract Receipts	-	-
Total	5,921.99	5,235.79

12 Other Income:

(₹ in Lacs)

Particulars	For period ended	
	31-Mar-16	31-Mar-15
Profit on Redemption of Current Investments	66.41	9.16
Misc. Receipts	1.09	0.57
Excess provision of 1st major maintenance written / back	446.95	-
Interest Received on EPC Advance	245.16	108.14
Interest Received on Income Tax	0.11	1.15
Total	759.72	119.02

13 **Operating Expenses**

(₹ in Lacs)

Particulars	For period ended	
	31-Mar-16	31-Mar-15
Project Consumables	6.99	1.31
Routine Maintenance Expenses	599.39	599.17
Canteen Expenses	1.17	4.33
Written off Expenses	0.05	73.90
Insurance	13.77	12.06
Technical Consultancy	13.54	20.97
Power and Fuel	27.94	24.83
Repair & Maintenance-Machineries	1.59	0.37
Bank Charges	0.07	2.97
Provision for Periodic Maintenance	1,346.03	1,293.70
Total	2,010.54	2,033.61

14 **Employee Benefits Expenses**

(₹ in Lacs)

Particulars	For period ended	
	31-Mar-16	31-Mar-15
Salary, Wages, Allowances & Bonus	147.71	100.76
Contribution to Provident and Other Funds	4.31	3.42
Provision for Gratuity	2.17	0.32
Staff Welfare Expenses	1.00	0.85
Total	155.19	105.35

Following the stay granted by the Hon'ble Kerla High Court on applicability of the amendment to Payment of Bonus Act retrospectively from 1st April, 2014, the Company has not made any provision for bonus for the year 2014-15 as per the amendment.

15 **Finance Expenses**

Particulars	For period ended	
	31-Mar-16	31-Mar-15
Interest Expenses:		
Interest on Term Loan/NCD	3479.39	4149.04
Interest Expenses-others	1478.87	866.33
Other borrowing Cost:		
Bank Guarantee Charges	19.71	27.14
Finance Charges	5.71	3.91
Processing Fees	9.36	269.24
Total Finance Cost	4,993.04	5,315.66

The company has recognised interest expense payable to M/s Ashoka Buildcon limited, Ashoka Concessions Ltd. & Viva Highways Ltd. on the amounts received from them from time to time. The interest rate, being 1% more than the weighted average rate of the lenders is calculated on the daily outstanding balance and accordingly an amount of Rs. 1478.87 Lacs (P.Y. 866.33 lacs) has been charged to interest expense.

16 **Depreciation and Amortisation**

(₹ in Lacs)

Particulars	For period ended	
	31-Mar-16	31-Mar-15
Amortisation of Concession rights	1,750.30	1,743.35
Depreciation on Motor Vehicle	4.45	6.01
Depreciation on Office equipment's	37.24	10.62
Depreciation on Furniture & Fixtures	0.94	1.19
Depreciation on Computer Assets	0.03	0.01
Total	1,792.96	1,761.19

Explanatory Notes to Financial Statements for period ended 31st March, 2016

17 Other Expenses

(₹ in Lacs)

Particulars	For period ended	
	31-Mar-16	31-Mar-15
Rates & Taxes	(23.24)	66.43
Rent	0.03	0.02
Printing & Stationery	1.61	1.50
Communications	0.53	1.82
Travelling & Conveyance	4.89	1.31
Vehicle Running Charges	11.07	10.78
Legal & Professional Fee	79.42	26.41
Remuneration to Auditors:		
- Audit Fees	3.04	2.70
- Certification Exp	0.14	0.31
- Tax Audit	0.36	0.28
- Out Of Pocket Expenses	-	-
Advertisement	0.15	3.24
General Charges	2.50	3.70
Internet Charges	1.07	-
Survey Expenses	1.35	0.97
Total	82.92	119.47

18 Deferred Taxation

Provision for the deferred tax liability is not recognised since the timing difference (on account of excess of depreciation allowable under income tax law over depreciation as per books) originating in the current period is capable of reversal within the tax holiday period.

The company has not recognized Deferred Tax Asset arising on account of timing difference of loss carried forward under the Income Tax Act, in the books of accounts because there is no virtual certainty that sufficient future taxable income will be available against which such Deferred Tax Asset can be realized. As a matter of prudence, the Company has not recognized deferred tax asset on such losses.

19 Earnings per Share (EPS)

Disclosures as required by Accounting Standard-AS 20 "Earning per Share", notified Accounting Standards by the Companies' (Accounting Standards) Rules, 2006 (as amended).

(₹ in Lacs)

Particulars	For period ended	
	31-Mar-16	31-Mar-15
Nominal Value of Equity Shares (₹ Per Share)	10	10
Total number of equity shares outstanding at the beginning of the period	26,113,062	26,113,062
Add : Issue of Equity Shares during the period	-	-
Total number of equity shares outstanding at the end of period	26,113,062	25,602,602
Weighted average number of equity shares at the end of period	26,113,062	25,602,602
Profit / (Loss) for the period (₹ in Lacs)	(2,352.94)	(3,980.46)
Basic and Diluted Earnings per share not annualized (₹)	(9.01)	(15.55)

20 Related party transactions

Disclosures as required by Accounting Standard-AS 18 "Related Parties", notified Accounting Standards by the Companies' (Accounting Standards) Rules, 2006 (as amended).

(A) List of Related Parties

(a) Parties where control exists

- (i) Ashoka Buildcon Ltd. (Ultimate Holding Company)
- (ii) Ashoka Concessions Ltd (Holding Company)
- (iii) India Infrastructure Fund

(b) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise:

- (i) Ashoka Technologies Private Limited
- (ii) Viva Highways Limited

Explanatory Notes to Financial Statements for period ended 31st March, 2016

(B) Transactions during the period: (in Lacs)			
Nature of Transactions	Parties Where Control Exists	Associate	Key Management Personnel
O & M expenditure/EPC :			
Ashoka Buildcon Ltd.-O & M	-		
	[-]		
Ashoka Buildcon Ltd.-EPC	4373.43		
	[1083.02]		
Ashoka Concessions Ltd: - O & M	599.39		
	[599.17]		
Interest Paid			
Ashoka Concessions Ltd	609.78		
	[504.48]		
VIVA Highways Ltd.	663.19		
	[32.85]		
Ashoka Buildcon Ltd.	205.83		
	[329.01]		
Interest Received			
Ashoka Buildcon Ltd.	245.16		
	[108.14]		
Loan Taken:			
Ashoka Buildcon Ltd.	272.96		
	[7567.40]		
Ashoka Concessions Ltd	485.69		
	[1037.39]		
Viva Highways Ltd.	596.87		
	[5399.56]		
Loan Repaid:			
Ashoka Buildcon Ltd.	23.18		
	[6574.64]		
Reimbursement of Expenses:			
Ashoka Technologies Pvt Ltd		1.98	
		[0.89]	
Ashoka Buildcon Ltd.	20.21		
	[22.68]		
Outstanding Payable against: as on 31.03.2016			
Ashoka Buildcon Ltd.	3,900.75		
	[3650.97]		
Ashoka Concessions Ltd	9,251.18		
	[8765.49]		
Viva Highways Ltd.		5,996.43	
		[5399.56]	
India Infrastructure Fund		3597.56	
		[3597.56]	
For Contract Work:			
Ashoka Buildcon Ltd.	-		
	[4075.88]		
For Trade Payables:			
Ashoka Concessions Ltd	48.27		-
	[48.98]		[-]
Outstanding balance receivable against advance for Major Maintenance expenses			
Ashoka Buildcon Ltd.	238.43		238.43
	[4075.88]		[4075.88]

Figures in Bracket [] are related to the comparative figures given in the Balance sheet, Statement of Profit and Loss and the Cash Flow Statement

Segment reporting

- 21 Segment Information: As the company's business activities falls within a single primary business segment viz. BOT Operations , and it operates in a single geographical segment i.e. India, the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting" of the Companies (Accounting Standards) Rules, 2006

Explanatory Notes to Financial Statements for period ended 31st March, 2016

22 Legal disputes and Contingent liabilities

('in Lacs)

Particulars	As at	
	31-Mar-16	31-Mar-15
Liability against capital commitments Outstanding (net of advances)	2,489.48	2,489.48
Bank Guarantees issued by bankers from the parent Company Limits	5,000.00	5,000.00

23 In the opinion of the Board of Directors, all the assets other than fixed assets and non current investments have value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

24 Previous year's figures have been regrouped and rearranged wherever necessary to make them comparable.

25 Explanatory notes 1 to 22 form an integral parts of the Balance Sheet and statement of Profit & Loss and are duly authenticated.

The accompanying statement of significant accounting policies and other Explanatory Notes form an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of
Natvarlal Vepari & Co
Chartered Accountants
FRN: 106971W

For & on behalf of the Board of Directors

N Jayendran
partner
M.No: 040441
Date : 28th April 2016
Place: Mumbai

(Peeyush Kumar Jain)
CFO

(M. V. Patil)
[Din:-00895533]
Director
Date : 28th April 2016
Place: Mumbai

(P. C. Mehta)
[Din:-03474488]
Director

7 Tangible & Intangible Assets

a **Tangible Assets**

(₹ in Lacs)

Particulars	Land	Office Equipment	Vehicles	Computer Asset	Furniture & Fixtures	Total
Gross Block						
As at 1st April 2014	1.50	20.87	47.84	0.24	10.89	81.34
Additions	-	58.36	-	-	-	58.36
Disposals	-	-	-	-	-	-
As at 31st March 2015	1.50	79.23	47.84	0.24	10.89	139.70
Additions	-	23.93	-	-	-	23.93
Acquisition through business combination	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at 31st March 2016	1.50	103.16	47.84	0.24	10.89	163.63
Depreciation						
As at 1st April 2014	-	5.78	24.66	0.14	5.19	35.78
Charge for the year	-	10.62	6.01	0.04	1.19	17.86
Disposals	-	-	-	0.02	-	0.02
As at 31st March 2015	-	16.40	30.67	0.16	6.38	53.61
Charge for the year	-	37.24	4.45	0.03	0.94	42.66
Disposals	-	-	-	-	-	-
As at 31st March 2016	-	53.64	35.13	0.18	7.33	96.28
Net Block						
As at 31st March 2015	1.50	62.83	17.16	0.08	4.50	86.08
As at 31st March 2016	1.50	49.52	12.71	0.05	3.56	67.35

b **Intangible Assets**

(₹ in Lacs)

Particulars	Concession Rights
Gross Block	
As at 1st April 2014	51,210.79
Additions	-
Disposals	-
As at 31st March 2015	51,210.79
Additions	-
Acquisition through business combination	-
Disposals	-
As at 31st March 2016	51,210.79
Depreciation / Amortisation	
As at 1st April 2015	4,734.59
Charge for the year	1,743.35
Disposals	-
As at 31st March 2015	6,477.94
Charge for the year	1,750.30
Disposals	-
As at 31st March 2016	8,228.24
Net Block	
As at 31st March 2015	44,732.85
As at 31st March 2016	42,982.55

c **Intangible Assets under development:**

(₹ in Lacs)

Particulars	As at	
	31-Mar-16	31-Mar-15
At the beginning of the period	1,584.78	1,584.78
Total	1,584.78	1,584.78