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ASHOKA KHARAR LUDHIANA ROAD LIMITED

**ANNUAL REPORT
2016-17**

BOARD OF DIRECTORS

Mr. Satish D. Parakh	Director
Mr. Sanjay P. Londhe	Director
Mr. Rajendra C. Burad	Director

AUDITORS

M/s.S. R. Batliboi & Co. LLP, Mumbai – Statutory Auditors

REGISTERED OFFICE

206, 2nd Floor, 79, Daryaganj, New Delhi - 110 002

BANKERS

1. **HDFC Bank Limited**



**ASHOKA KHARAR LUDHIANA ROAD LIMITED
NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the First (1st) Annual General Meeting of Ashoka Kharar Ludhiana Road Limited will be held on Monday, September 25, 2017 at 5.00 p.m. at the registered office at – 206, 2nd Floor, 79, Daryaganj, New Delhi- 110 002 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements including Balance Sheet as at March 31, 2017, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date along with the reports of the Board of Directors and Auditors thereon;
2. To re-appoint Mr. Satish D. Parakh (DIN - 00112324) who retires by rotation and being eligible offers himself for re-appointment.

“RESOLVED THAT Mr. Satish D. Parakh (DIN - 00112324), who retires by rotation and being eligible, offers himself for re-appointment be and is hereby re-appointed as a Director, liable to retire by rotation.

3. To appoint Statutory Auditors for the first term of five (5) consecutive years from the conclusion of 1st Annual General Meeting (AGM) till the conclusion of 6th AGM and to fix their remuneration and in this regard to consider and to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and, pursuant to the recommendations the Board of Directors, M/s. S. R. Batliboi & Co. LLP (FRN-301003E/E300005) Chartered Accountants, Mumbai be and are hereby appointed as the Statutory Auditors of the Company to hold office for the first term of 5 (five) consecutive years from the conclusion of 1st Annual General Meeting till the conclusion of the 6th Annual General Meeting, subject to ratification, if any required, by the members at every Annual General Meeting, as per the provisions of the Companies Act, 2013 from time to time and on such remuneration as may be mutually agreed to between the Board of Directors and the Statutory Auditors of the Company”.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to section 94 and other provisions of the Companies Act, 2013, the consent of the shareholders of the Company be and is hereby accorded to keep the Registers maintained under section 88 and copies of the Annual Return filed under section 92 of the

Companies Act, 2013 at "Ashoka House", Ashoka Marg, Nasik – 422 011, being a place other than the Registered Office of the Company".

5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 14, any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, as may be amended from time to time, approval of the shareholders be and is hereby accorded to amend the Articles of Association of the Company by substituting existing Articles 171 (a) and 172 by following Articles 171 and 172, relating to Common Seal.

171 The Board shall provide for the safe custody of the Common Seal and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Seal of the Company shall not be affixed to any instrument except by the authority of the resolution of the Board or of a Committee of the Board authorised by it in that behalf.

172 Every deed or other instrument required to be executed under the Common Seal, shall, unless executed by a duly constituted attorney, be executed under the common seal of the Company and the Common Seal shall be affixed to such deed or instrument, in the presence of any person authorised by the Board of Directors or any committee thereof for the purpose and such person shall sign every deed or other instrument to which the Seal of the Company is so affixed, provided that in respect of the Share Certificate the Seal shall be affixed in accordance with Article 22(a).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary for the purpose of aforesaid resolution".

**For and on behalf of Board of Directors of
Ashoka Kharar Ludhiana Road Limited**

Sd/-

**(Satish D. Parakh)
Director
(DIN- 00112324)**

Place : Nashik

Date : 27.05.2017

NOTES :

1. Members entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and vote, on behalf of himself/herself and the proxy need not be member of the company.
2. Proxy form duly stamped and executed in order to be effective must reach the registered office of the company not less than 48 hours before the time of commencement of the annual general meeting.
3. Members/proxies should fill the attendance slip for attending the meeting.
4. An explanatory statement pursuant to section 102 of the Companies Act, 2013 is annexed and forms part of this notice.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF COMPANIES ACT, 2013

ITEM NO. 4

The Company's statutory Registers and other books of Accounts and relevant records specifically mentioned under sections 88 & 92 of the Companies Act, 2013 are proposed to be kept at a place other than its Registered Office for administrative convenience.

In case the place of keeping registers and returns of the Company is different from the registered office, approval of members is mandatory by way of passing a special resolution.

Consent of the members is, therefore, being sought by way of special resolution for the same as mentioned in Item No. 4.

None of the Directors of the Company and their relatives is financially or otherwise interested or concerned in the proposed resolution.

Your Directors commend passing of the forgoing resolution as a Special resolution.

ITEM NO. 5

The Company being an infrastructure Company has to execute various agreements, documents etc. towards its business matters including for borrowing proposals and other administrative necessities. In view of the same and to facilitate administrative convenience for execution of such documents on behalf of the Company it is proposed to alter the existing Articles of Association ("AoA") of the Company by amending the related clauses in AoA.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution at Item No. 5 of the Notice.

The Board of Directors recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

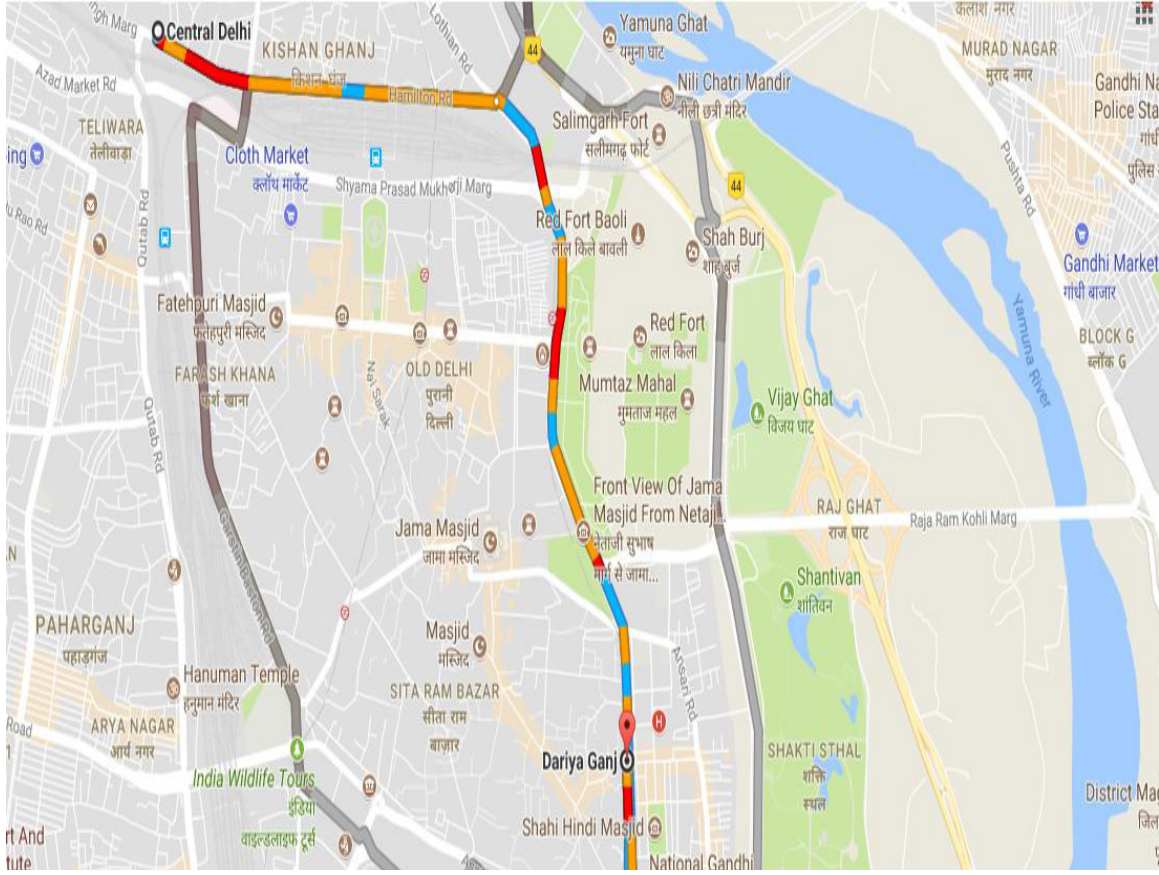
**For and on behalf of Board of Directors of
Ashoka Kharar Ludhiana Road Limited**

Sd/-

**(Satish D. Parakh)
Director
(DIN- 00112324)**

Place : Nashik

Date : 27.05.2017





**ASHOKA KHARAR LUDHIANA ROAD LIMITED
BOARD'S REPORT**

Dear Shareholders,
Ashoka Kharar Ludhiana Road Limited.

Your Directors have pleasure in presenting the First (1st) Annual Report of your Company for the year ended March 31, 2017.

(1) FINANCIAL RESULTS

Financial results of the Company for the year under review along with the figures for previous year are as follows:

Particulars	(Rs. in Lakh except EPS)	
	2015-16	2015-16
Total Receipts / Gross Sales & Operating Income	4811.36	0.00
Gross Profit before Depreciation, Amortization and Tax	(0.92)	0.00
Depreciation and amortization	0.03	0.00
Profit before Tax	(0.95)	0.00
Provision for Taxation	0.00	0.00
Profit after Tax	(0.95)	0.00
Earnings per share of Rs. 10/- each		
Basic	(0.01)	0.00
Diluted	(0.01)	0.00

(2) OPERATIONS

The Company has been floated as a Special Purpose Vehicle ("SPV") and a wholly owned subsidiary of Ashoka Concessions Limited. It is incorporated for executing the project viz. "To carry on the business of Designing, Building, Financing, Operation and Maintenance of 4/6 laning of Kharar to Ludhiana section of NH-95 (new NH-05) from Kharar km. 10+185 (design chainage) to Samrala Chowk, Ludhiana km. 86+199 (design chainage) in the State of Punjab on Hybrid Annuity mode Basis.

(3) SHARE CAPITAL

During the year under review, the Company has allotted 64,000,000 Equity Shares on February 08, 2017. The paid-up Equity Share capital of the Company as at March 31, 2017 stood at Rs. 640,100,000/- (Rupees Sixty Four Crore One Lakh only).

(4) DIVIDEND

Since your Company has incurred loss of Rs. 95,277/- during the year, the Directors have not recommended any Dividend for the financial year 2016-17.

(5) NUMBER OF MEETINGS HELD

A. Board Meetings.

The Board of Directors duly met 9 times during the financial year ended March 31, 2017. The dates on which the meetings were held are as follows:

Sr. No.	Date of Meetings
1	24.08.2016
2	07.09.2016
3	20.09.2016
4	12.10.2016
5	14.11.2016
6	24.12.2016
7	12.01.2017
8	01.02.2017
9	08.02.2017

Attendance

Sr. No	Name	No. of meetings held	No. of meetings attended
1	Mr. Satish D. Parakh	9	9
1	Mr. Sanjay P. Londhe	9	8
2	Mr. Rajendra C. Burad	9	9

(6) DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Director liable to retire by rotation

Pursuant to the provisions of the section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. Satish D. Parakh (DIN - 00112324), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

You are requested to re-appoint him.

(7) AUDITORS

A. FIRST STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. S.R. Batliboi & Co., Chartered Accountants, Mumbai, First Statutory Auditors (Firm Registration No. 301003E/E300005) hold office till the conclusion of the First Annual General Meeting for the Financial Year 2017-18. The Board of Directors of your Company is proposing to appoint M/s S. R. Batliboi & Co. LLP as Statutory Auditor of the

Company for the first term of Five (5) consecutive years from the conclusion of this Annual General Meeting till the conclusion of 6th Annual General Meeting. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for - appointment as Statutory Auditors of the Company.

The Auditors' Reports on financial statements for the financial year 2016-17 does not contain any qualification, reservation or adverse remark.

(8) PUBLIC DEPOSITS

The Company has not accepted any deposits u/s 73 of the Companies Act, 2013 during the FY 2016-17.

(9) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

(10) RELATED PARTY TRANSACTIONS

Related party transactions entered during the financial year were on an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its review and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as **Annexure – II**

(11) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO/RISK MANAGEMENT/INTERNAL FINANCIAL CONTROL

Data pertaining to conservation of energy and technology absorption is not applicable. There was neither foreign exchange earning nor expenditure during the year under review.

❖ RISK MANAGEMENT

- Your Company recognises that risk is an integral part of business and is committed to manage the risk in a proactive and efficient manner. Company has in place a proper internal Risk Management system to review, identify, assess and implement the necessary action in respect thereto by following the principles of Risk Matrix.
- There are no risks which in the opinion of the Board of Directors affect the Company's Operations on a going concern basis. Hence the Company does not have any Risk Management Policy as there are no elements of risk threatening the Company's existence.

❖ DETAILS ON INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal Financial Control, some of which are outlined below;

- Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable. These are in accordance with generally accepted accounting principles in India including Indian Accounting Standards (IND AS).
- Changes in policies, if any, are approved by the Board of Directors in consultation with the Auditors.

(12) PARTICULARS OF EMPLOYEES

During the year under review, none of the employees has drawn salary in excess of limits specified u/s 197 of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(13) ACCOUNTS

The accounts read together with the Notes to Accounts are self-explanatory and do not call for any further explanation. The Auditors' Report does not contain any qualification, adverse remark or reservation.

(14) CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company does not fall under the criteria of section 135 of the Companies Act, 2013 regarding CSR expense.

(15) POLICY ON PREVENTION OF SEXUAL HARASSMENT

The Company has in place Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress the complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Your Directors state that during the year under review, no cases have been reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

(16) EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure - I**.

(17) DIRECTORS RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis; and
- e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

(18) ACKNOWLEDGEMENT

The Board of Directors place on record their deep appreciation to NHAI, financial institutions, bankers, suppliers and others for their co-operation and patronage during the period under review & look forward for a constant, cordial relationship in the years to come. We place on record our deep appreciation for the services rendered by the employees of the company at all levels.

For and on behalf of the Board of Directors

Sd/-

**(Satish D. Parakh)
Director
DIN-00112324**

Sd/-

**(Sanjay P. Londhe)
Director
DIN - 00112604**

Place: Nashik

Date: 27.05.2017

**Annexure - I
FORM NO. MGT 9**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

EXTRACT OF ANNUAL RETURN

I REGISTRATION & OTHER DETAILS:

i	CIN	U45309DL2016PLC304822
ii	Registration Date	23.08.2016
iii	Name of the Company	ASHOKA KHARAR LUDHIANA ROAD LIMITED
iv	Category of the Company	Non Government Company
v	Address of the Registered office & contact details	206, 2nd Floor, 79, Daryaganj, New Delhi - 110 002 secretarial@ashokabuildcon.com
vi	Whether listed company	No.
vii	Name and Address of Registrar & Transfer Agents (RTA):-	No.

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Toll Collection	42	99.97%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

No. of Companies for which information is being filled	1
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Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	Ashoka Concessions Limited	U45201MH2011PLC215760	Holding Company	100%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	0	0	0	0%	0			0%	0%
b) Central Govt	0	0	0	0%	0	0	0	0%	0%
c) State Govt(s)	0	0	0	0%	0	0	0	0%	0%
d) Bodies Corp.	9,400	600	10,000	100%	64,009,400	600	64,010,000	100%	0%
e) Banks / FI	0	0	0	0%	0	0	0	0%	0%
f) Any other	0	0	0	0%	0	0	0	0%	0%
(2) Foreign									
a) NRI - Individual/	0	0	0	0%	0	0	0	0%	0%
b) Other - Individual/	0	0	0	0%	0	0	0	0%	0%
c) Bodies Corp.	0	0	0	0%	0	0	0	0%	0%
d) Banks / FI	0	0	0	0%	0	0	0	0%	0%
e) Any Others	0	0	0	0%	0	0	0	0%	0%
Total shareholding of Promoter (A)	9,400	600	10,000	100%	64,009,400	600	64,010,000	100%	0%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0%	0	0	0	0%	0%
b) Banks / FI	0	0	0	0%	0	0	0	0%	0%
c) Central Govt	0	0	0	0%	0	0	0	0%	0%
d) State Govt(s)	0	0	0	0%	0	0	0	0%	0%
e) Venture Capital Funds	0	0	0	0%	0	0	0	0%	0%
f) Insurance Companies	0	0	0	0%	0	0	0	0%	0%
g) FIs	0	0	0	0%	0	0	0	0%	0%
h) Foreign Venture	0	0	0	0%	0	0	0	0%	0%
i) Others (specify)	0	0	0	0%	0	0	0	0%	0%
Sub-total (B)(1):-	0	0	0	0%	0	0	0	0	0%
2. Non-Institutions									
a) Bodies Corp.	0	0	0	0%	0	0	0	0%	0%
i) Indian	0	0	0	0%	0	0	0	0%	0%
ii) Overseas	0	0	0	0%	0	0	0	0%	0%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0%	0	0	0	0%	0%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0%	0	0	0	0%	0%
c) Others (specify)	0	0	0	0%	0	0	0	0%	0%
Sub-total (B)(2):-	0	0	0	0%	0	0	0	0%	0%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0%	0	0	0	0%	0%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0%	0	0	0	0%	0%
Grand Total (A+B+C)	9,400	600	10,000	100%	64,009,400	600	64,010,000	100%	0%

ii **Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Ashoka Concessions Limited	10,000	100%	30%	64,010,000	100%	30%	0%
	TOTAL	10,000	100%	30%	64,010,000	100%	30%	0%

iii **Change in Promoters' Shareholding (please specify, if there is no change,**

Sl. No. 1 - Ashoka Concessions Limited	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	10,000	0.02%	10,000	0.02%
Changes During the Year				
Addition - Allotment - 08.02.2017	64,000,000	99.98%	64,010,000	100%
At the End of the year	64,010,000	100%	64,010,000	100%

iv **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

There is no shareholder other than Directors, Promoters.

v **Shareholding of Directors and Key Managerial Personnel:**

None of the Directors and KMPs hold any shares.

v **INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Rs. In Lakh

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
* Addition	-	88,866,754	-	88,866,754
* Reduction	-	24,654,114	-	24,654,114
Net Change	-	64,212,640	-	64,212,640
Indebtedness at the end of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	-	64,212,640	-	64,212,640
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	64,212,640	-	64,212,640

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

None of the Managing Director, Whole - time Director or Manager draws remuneration.

B. Remuneration to other directors:

None of the Director draws remuneration.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Not Applicable.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for the year ended 2016-17

For and on behalf of Board of Directors

Sd/-

(Satish D. Parakh)

Director

DIN-00112324

Sd/-

(Sanjay P. Londhe)

Director

DIN-00112604

Place : Nashik

Date : 27.05.2017

Annexure II - Form AOC-2

(Pursuant to clause (b) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sr. No	Name of the Related Party	Nature of Contracts/Arrangements/ Transactions:	Durations of the Contracts / Agreements/ Transactions	Salient Terms of the Contracts or arrangements or Transactions including the Value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) approval by the Board, if any	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting
Not Applicable								

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of Contracts / Agreements / Transactions	Durations of the Contracts / Agreements/ Transactions	Salient Terms of the Contracts or arrangements or Transactions including the Value, if any (Amt in Lakhs)	Date(s) approval by the Board, if any	Amount paid as advances, if any
1	Ashoka Buildcon Ltd.	Ultimate Holding Company	Rendering of Services	As per terms of EPC contract	Road Construction and site expenses / EPC - Rs. 4509.25 Lakh	12.01.2017	Nil
	Ashoka Concessions Ltd.	Holding Company	Rendering of Services	Upto March 31,2017	Project Monitoring Expenses - Rs. 241.5 Lakh	08.02.2017	NIL

For and on behalf of Board of Directors Ashoka Kharar Ludhiana Road Limited

Sd/-

Sd/-

(Satish D. Parakh)
Director
DIN-00112324(Sanjay P. Londhe)
Director
DIN-00112604

Place : Nashik

Date : 27.05.2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Ashoka Kharar Ludhiana Road Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Ashoka Kharar Ludhiana Road Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss for the period from August 23, 2016 (date of incorporation) to March 31, 2017, including the statement of Other Comprehensive Income, the Cash Flow Statement for the period from August 23, 2016 (date of incorporation) to March 31, 2017 and the Statement of Changes in Equity 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 of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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 of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 Ind AS 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 Ind AS 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 the Company's Directors, as well as evaluating the overall presentation of the Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS 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 March 31, 2017, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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 1 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 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 it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;

- (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 2" to this report;
- (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 does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period.

For **S R B C & C O L L P**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Sd/-

per Aryn Jassani
Partner
Membership Number: 46447
Place of Signature: Mumbai
Date: May 27, 2017

Annexure 1 referred to in paragraph 1 to Report on Other Legal and Regulatory Requirements' of our report of even date

Re: Ashoka Kharar Ludhiana Road Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment/ fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, service tax, and other statutory dues applicable to it. The provisions relating to provident fund, employees' state insurance, value added tax, cess, sales-tax, duty of custom and duty of excise are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, duty of custom, value added tax, cess and other material statutory dues were

outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & C O L L P**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Sd/-

per Aryn Jassani
Partner
Membership Number: 46447
Place of Signature: Mumbai
Date: May 27, 2017

Annexure 2 to the Independent Auditor's Report of even date on the standalone financial statements of Ashoka Kharar Ludhiana Road Limited

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 Kharar Ludhiana Road Limited ("the Company") as of March 31, 2017 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. 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent 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 judgement, 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 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 March 31, 2017, 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 **S R B C & C O L L P**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Sd/-

per Aryn Jassani
Partner
Membership Number: 46447
Place of Signature: Mumbai
Date: May 25, 2017

Ashoka Kharar Ludhiana Road Limited
Balance sheet as at March 31, 2017

Particulars	Notes	March 31, 2017
ASSETS		
Non-current assets		
Property, plant and equipment	4	60,151
Other non-current assets	5	510,000,000
		510,060,151
Current Assets		
Financial assets		
i) Trade receivables	6	50,916,859
ii) Cash and cash equivalent	7	7,803,943
iii) Loans	8	32,948,802
iv) Others	9	430,078,965
Other current assets	5	90,001,043
		611,749,612
Total assets		1,121,809,763
EQUITY AND LIABILITIES		
Equity		
Equity share capital	10	640,100,000
Other equity		
Share premium	10	(6,867,250)
Other reserves	10	(95,277)
Total Equity		633,137,473
Current liabilities		
Financial Liabilities		
i) Borrowings	11	11,850,000
ii) Trade payables		
Total outstanding dues of creditors micro and small enterprises	12	-
Total outstanding dues of creditors other than micro and small enterprises	12	444,370,725
Other current liabilities	13	32,451,565
		488,672,290
Total Liabilities		488,672,290
Total equity and liabilities		1,121,809,763
Summary of significant accounting policies	3	

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the financial statements.

As per our report of even date
For S.R. Batliboi & Co LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of
Ashoka Kharar Ludhiana Road Limited

Sd/-

per Aryn Jassani
Partner
Membership No.: 46447

Sd/-

Satish D. Parakh
Director
DIN : 00112324

Sd/-

Sanjay P. Londhe
Director
DIN - 00112604

Place : Mumbai
Date: May 27, 2017

Place : Mumbai
Date: May 27, 2017

Ashoka Kharar Ludhiana Road Limited
Statement of Profit and Loss for the period August 23, 2016 to March 31, 2017

Particulars	Notes	March 31, 2017
Income		
Revenue from operations	14	480,995,824
Other income	15	140,947
Total income		481,136,771
Expenses		
Contract and site expenses	16	475,905,109
Finance costs	17	4,072,667
Depreciation Expenses	4	3,062
Other expenses	18	1,251,210
Total expenses		481,232,048
Loss before tax		(95,277)
Tax expenses	30	
Current tax		-
Deferred tax		-
Total tax expenses		-
Loss after tax		(95,277)
Other comprehensive income not to be reclassified to profit or loss in subsequent year:		
Re-measurement gains/ (losses) on defined benefit plans		-
Income tax effect		-
Net other comprehensive income not to be reclassified to profit or loss in subsequent year		-
Other comprehensive income/(loss) for the year, net of tax		-
Total comprehensive income for the period, net of tax		-
Loss for the year		(95,277)
Total comprehensive income for the year		-
Earnings per share	19	
Basic computed on the basis of loss for the year		(0.01)
Diluted computed on the basis of loss for the year		(0.01)

Summary of significant accounting policies

3

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the financial statements.

As per our report of even date
For S.R. Batliboi & Co LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of
Ashoka Kharar Ludhiana Road Limited

Sd/-
per Aryn Jassani
Partner
Membership No.: 46447

Sd/-
Satish D. Parakh
Director
DIN : 00112324

Sd/-
Sanjay P. Londhe
Director
DIN - 00112604

Place : Mumbai
Date: May 27, 2017

Place : Mumbai
Date: May 27, 2017

Ashoka Kharar Ludhiana Road Limited

Statement of changes in Equity for the period August 23, 2016 to March 31, 2017

A. Equity Share Capital:

	March 31, 2017
	No.
Equity shares of INR 10 each issued, subscribed and fully paid	
Opening balance	-
Issued during the period	640,100,000
Closing balance	640,100,000

B. Other Equity (Note 10)

Particulars	Reserves & Surplus	
	Securities premium reserve	Retained earnings
Balance as of August 23, 2016	-	-
Cost for increase in authorised capital	(6,867,250)	-
Loss for the period	-	(95,277)
Balance as of March 31, 2017	(6,867,250)	(95,277)

As per our report of even date

For S.R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm Registration Number: 3001003E/E300005

Sd/-

per Aryn Jassani

Partner

Membership No.: 46447

Place : Mumbai

Date: May 27, 2017

For and on behalf of the Board of Directors of

Ashoka Kharar Ludhiana Road Limited

Sd/-

Satish D. Parakh

Director

DIN : 00112324

Place : Mumbai

Date: May 27, 2017

Sd/-

Sanjay P. Londhe

Director

DIN - 00112604

Ashoka Kharar Ludhiana Road Limited
Notes to Financial Statements for the period August 23, 2016 to March 31, 2017

Note 1 : Corporate Information

Ashoka Kharar Ludhiana Road Limited ("AKLRL", "the Company") is a public company domiciled in India and incorporated on August 23, 2017 under the provisions of the Companies Act, 2013. Its shares are not listed on any stock exchanges in India. The company is engaged in the business of designing, building, financing, operation and maintenance of 4/6 laning of Kharar to Ludhiana section of National Highway No 5 in the state of Punjab on Hybrid Annuity mode Basis (HAM) The company caters to Indian market only.

AKLRL is wholly owned subsidiary of Ashoka Concessions Ltd (ACL).

The registered office of the company is located at 206, 2nd Floor, 79, Daryaganj, New Delhi, India, 110002.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 27, 2017

Note 2 : Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereof.

These are company's first financial statements prepared from the date of incorporation.

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in INR except when otherwise indicated.

Note 3 : Summary of significant accounting policies

3.01 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current / non current classification of assets and liabilities.

3.02 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

Ashoka Kharar Ludhiana Road Limited
Notes to Financial Statements for the period August 23, 2016 to March 31, 2017

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Disclosures for valuation methods, significant estimates and assumptions (Refer Note 21)

Financial instruments (including those carried at amortised cost) (Refer Note 4,6,7,8,9,10,11,12,21 and 22)

Quantitative disclosure of fair value measurement hierarchy (Refer Note 21)

3.03 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

Contract revenue (Construction Contracts)

Contract revenue and contract cost associated with the construction of road are recognised as revenue and expense respectively by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed upto the balance sheet date bear to the estimated total contract costs. During the early stages of a contract it is often the case that the outcome of the contract cannot be estimated reliably. Nevertheless, it may be probable that the entity will recover the contract costs incurred. Therefore, contract revenue is recognised only to the extent of costs incurred that are expected to be recoverable. If total cost is estimated to exceed total contract revenue, the Company provides for foreseeable loss. Contract revenue earned in excess of billing has been reflected as unbilled revenue.

3.04 Tangible assets

The initial cost of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

3.05 Depreciation on tangible assets

Depreciation on fixed assets is calculated on a written down value method using the rates arrived at based on the useful lives prescribed under the Schedule II to the Companies Act, 2013.

3.06 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Ashoka Kharar Ludhiana Road Limited
Notes to Financial Statements for the period August 23, 2016 to March 31, 2017

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity .

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax as sets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the year that MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the year, in which the tax credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the Statement of profit and loss and shown as Unused Tax credit. The Company reviews the same at each balance sheet date and writes down the carrying amount of unused tax credit to the extent there is no longer convincing evidence to the effect that the Company will pay income tax higher than MAT during the specified year.

3.07 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.08 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

3.09 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories;

Debt instruments at amortised cost

Debt instruments at fair value through other comprehensive income (FVTOCI)

Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A financial assets is measured at the amortised cost if both the following conditions are met :

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. All the Loans and other receivables under financial assets (except Investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value.

After initial measurement such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material lay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Ashoka Kharar Ludhiana Road Limited
Notes to Financial Statements for the period August 23, 2016 to March 31, 2017

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other financial assets

Trade receivable:

The company Management has evaluated the impairment provision requirement under IND As 109 and has listed down below major facts for trade and other receivables impairment provisioning:

Also the receivable from Company companies are considered to be good and there are neither been any past instances of default and also management doesn't expect any default in case of Company receivables.

Other Financial Assets:

Other Financial Assets mainly consists of Unbilled revenue measured at amortised cost.

Following are the policy for specific financial assets:-

Type of financial asset	
Prepaid expenses	Prepaid expenses include upfront fees paid by the Company for sanction of term loan which shall be adjusted against the subsequent disbursement of loan to the Company.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, trade payables and other payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. However, the company has borrowings at floating rates. Considering that the impact of restatement of effective interest rate, year on year due to reset of interest rate, is not material and hence the company is amortising the transaction cost in straight line basis over the tenure of the loan. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the transaction cost amortisation process.

This category generally applies to borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Ashoka Kharar Ludhiana Road Limited
Notes to Financial Statements for the period August 23, 2016 to March 31, 2017

3.10 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.11 Earning per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

3.12 Segment information

The Company is engaged in "Road Infrastructure Projects" which in the context of Ind AS 108 "Operating Segment" notified under section 133 of the Companies Act, 2013 is considered as the only segment. The Company's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.

Ashoka Kharar Ludhiana Road Limited

Notes to Financial Statements for the period August 23, 2016 to March 31, 2017

Note 4. Property, Plant and Equipment

Tangible Assets		
	Vehicle	Total
Cost		
At 1 April 2015	-	-
Additions	-	-
Disposals	-	-
At 31 March 2016	-	-
Additions	63,213	63,213
Disposals	-	-
At 31 March 2017	63,213	63,213
Depreciation/ Amortization		
At 1 April 2015	-	-
Depreciation charge for the year	-	-
Disposals	-	-
At 31 March 2016	-	-
Depreciation charge for the year	3,062	3,062
Disposals	-	-
At 31 March 2017	3,062	3,062
Net Book Value		
At 31 March 2017	60,151	60,151
At 31 March 2016	-	-
At 1 April 2015	-	-
March 31, 2017		

Note 5 : Other assets

(Unsecured, considered good unless otherwise stated)

Non-current

Mobilisation advance (Refer Note 29) 510,000,000

Total **510,000,000****Current****Loans and advances to subsidiary companies**

Current maturities of long term mobilisation advances (Refer Note 29) 90,000,000

Others

Prepaid expenses 1,043

Total **90,001,043**

Ashoka Kharar Ludhiana Road Limited

Notes to Financial Statements for the period August 23, 2016 to March 31, 2017

Note 4. Property, Plant and Equipment

Tangible Assets		
	Vehicle	Total
Cost		
At 1 April 2015	-	-
Additions	-	-
Disposals	-	-
At 31 March 2016	-	-
Additions	63,213	63,213
Disposals	-	-
At 31 March 2017	63,213	63,213
Depreciation/ Amortization		
At 1 April 2015	-	-
Depreciation charge for the year	-	-
Disposals	-	-
At 31 March 2016	-	-
Depreciation charge for the year	3,062	3,062
Disposals	-	-
At 31 March 2017	3,062	3,062
Net Book Value		
At 31 March 2017	60,151	60,151
At 31 March 2016	-	-
At 1 April 2015	-	-
March 31, 2017		

Note 5 : Other assets

(Unsecured, considered good unless otherwise stated)

Non-current

Mobilisation advance (Refer Note 29) 510,000,000

Total **510,000,000****Current****Loans and advances to subsidiary companies**

Current maturities of long term mobilisation advances (Refer Note 29) 90,000,000

Others

Prepaid expenses 1,043

Total **90,001,043**

Ashoka Kharar Ludhiana Road Limited
Notes to Financial Statements for the period August 23, 2016 to March 31, 2017

	<u>March 31, 2017</u>
Financial assets	
Note 6 : Trade receivables	
Trade receivables - others	50,916,859
Total Trade receivables	<u>50,916,859</u>
Break-up for security details:	
Secured, considered good	-
Unsecured, considered good	50,916,859
Doubtful	-
Total	<u>50,916,859</u>
Trade receivables are non-interest bearing. No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person.	
Note 7 : Cash and cash equivalent	
Cash and Bank balances	
Cash at Banks	
Balances with Banks in :	
- Current Accounts	7,803,943
Cash in hand	-
Total	<u>7,803,943</u>
Note 8 : Loans (Unsecured, considered good unless otherwise stated)	
Current	
Others loans and advances	
Prepaid Expenses	32,643,652
Receivable from others	305,150
Total	<u>32,948,802</u>
Note 9 : Others (unsecured considered good unless otherwise stated)	
Current	
Construction Work-in-progress (unbilled revenue)	430,078,965
	<u>430,078,965</u>
Break up of financial assets carried at amortised cost	
	<u>March 31, 2017</u>
Trade receivables (Refer Note 6)	50,916,859
Cash and cash equivalent (Refer Note 7)	7,803,943
Loans (Refer Note 8)	32,948,802
Others (Refer Note 9)	430,078,965
Total financial assets carried at amortised cost	<u>521,748,569</u>

Particulars	March 31, 2017
Note : 10 : Equity	
A) Equity share capital	
Authorised shares	
At the beginning of the period	-
Increase during the period	750,000,000
At the end of the period	750,000,000
Issued, subscribed and fully paid-up shares	
At the beginning of the period	-
Increase during the period	640,100,000
At the end of the period	640,100,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity shares of INR 10 each issued, subscribed and fully paid

	No. of shares	INR
At the beginning of the period	-	-
Increase during the period	64,010,000	640,100,000
At the end of the period	64,010,000	640,100,000

b. Details of shareholders holding more than 5% shares in the Company

	March 31, 2017	
	No. of	%
Ashoka Concessions Limited	64,010,000	100.00%

As per 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 shares.

c. Terms / rights attached to equity shares

The company has only one class of equity shares having par value of Rs 10 per share. 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.

B) Other Equity

	March 31, 2017
Attributable to the equity holders	
a. Share Premium	
At the beginning of the period	-
Expenses incurred in relation to increase in authorised capital	(6,867,250)
	(6,867,250)
b. Surplus in the statement of profit and loss	
Balances as per last financial statements	-
Profit/(loss) for the year	(95,277)
Other comprehensive income/(loss) for the period	-
Total Surplus in the statement of profit and loss	(95,277)

Ashoka Kharar Ludhiana Road Limited

Notes to Financial Statements for the period August 23, 2016 to March 31, 2017

March 31, 2017

Financial liabilities**Note : 11 : Borrowings****Current Borrowings****Current maturity of long term loans**

Loan from Holding Company (Refer Note 29) 11,850,000

Net current borrowings **11,850,000**

Aggregate Secured loans -

Aggregate Unsecured loans 11,850,000

Note : 12 : Trade payables

Total outstanding dues of creditors other than micro and small enterprises

Trade payables - related parties (Refer Note 29) 444,370,725

Total trade payables **444,370,725****Break up of financial liabilities carried at amortised cost**

Borrowings (Refer Note 11) 11,850,000

Trade payables (Refer Note 12) 444,370,725

Total financial liabilities carried at amortised cost **456,220,725****Note : 13 : Other liabilities****Current**

Duties and taxes payable 10,220,565

Other payables: 22,231,000

Total **32,451,565**

Ashoka Kharar Ludhiana Road Limited
Notes to Financial Statements for the period August 23, 2016 to March 31, 2017

	March 31, 2017	Regrouping	Adjustments	March 31, 2017
Note 14 : Revenue from operations				
Contract Revenue from Utility Shifting	50,916,859.00			50,916,859
Contract Revenue	430,078,965.30			430,078,965
Total	480,995,824.30	-	-	480,995,824
Note 15 : Other income				
Net gain on sale of investments	140,947.43			140,947
Total	140,947.43	-	-	140,947
Note 16 : Contract and site expenses				
Road construction and site expenses				
- Other Direct Expenses (Refer Note 29)	450,925,109.00			450,925,109
- Project monitoring (Refer Note 29)	24,980,000.00			24,980,000
Total	475,905,109.00	-	-	475,905,109
Note 17 : Finance cost				
Bank Guarantee Charges (Refer Note 29)	4,064,876			4,064,876
Financial Charges	7,791		-	7,791
Total	4,072,667.30	-	-	4,072,667
Note 18 : Other expenses				
Rent, rates and taxes	168,368			168,368
Insurance	118			118
Legal and professional expenses	801,500			801,500
Payment to Auditor's (refer details below)	200,000			200,000
Miscellaneous expenses	81,224			81,224
Total	1,251,210.00	-	-	1,251,210
Payment to Auditor (including service tax)				
As auditor :				
Statutory audit fees	200,000.00			200,000
Total	200,000.00			200,000

Ashoka Kharar Ludhiana Road Limited
Notes to Financial Statements for the period August 23, 2016 to March 31, 2017

Note 19 : Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the period plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	<u>March 31, 2017</u>
Profit attributable to equity holders of the parent for basic earnings	(95,277)
Weighted average number of Equity shares for basic and diluted EPS*	13,610,000
Face value per share	10
Basic and Diluted earning per share	(0.01)

* There have been no other transactions involving Equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

Note 20 : Details of dues to micro and small enterprises as per MSMED Act, 2006

There are no Micro and Small Enterprises as defined in the Micro and Small 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 and Small Enterprises has been determined to the extent such parties has been identified on the basis of information available with the company.

Note 21 : Fair Values

The carrying values of financial instruments of the Company are reasonable and approximations of fair values.

	(Amount in Rs.)	
	<u>Carrying amount</u>	<u>Fair Value</u>
	<u>March 31, 2017</u>	<u>March 31, 2017</u>
Financial assets		
<u>Financial assets measured at amortised cost</u>		
Trade receivables	50,916,859	50,916,859
Cash and cash equivalent	7,803,943	7,803,943
Loans	32,948,802	32,948,802
Others	430,078,965	430,078,965
Financial liabilities		
<u>Financial liabilities measured at amortised cost</u>		
Borrowings	11,850,000	11,850,000
Trade payable	444,370,725	444,370,725

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

Note 22 : Financial risk management objectives and policies

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. In performing its operating, investing and financing activities, the Company is exposed to the Market risk, Credit risk and Liquidity risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk:

interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

The following table summaries the carrying amount of financial assets and liabilities recorded at the end of the year by categories:

Carrying amount of Financial Assets and Liabilities:

	(Amount in Rs.)
	<u>March 31, 2017</u>
Financial assets	
Trade receivables	50,916,859
Cash and cash equivalent	7,803,943
Loans	32,948,802
Others	430,078,965
Total financial assets carried at amortised cost	<u>521,748,569</u>
Financial liabilities	
Borrowings	11,850,000
Trade payables	444,370,725
Total financial liabilities carried at amortised cost	<u>456,220,725</u>

Interest Rate Risk

As infrastructure development and construction business is capital intensive, the company are exposed to interest rate risks. The Company is in its initial stages of operation and does not have any interest bearing debt during the period and hence, the sensitivity analysis is not required.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. During the period, Company did not enter into any foreign currency transaction, hence, the sensitivity analysis is not required.

Commodity Price Risk

The company requires for implementation (construction, operation and maintenance) of the projects, such as cement, bitumen, steel and other construction materials. For which, the company entered the fixed price contract with the EPC contractor and O&M Contractor so as to manage our exposure to price increases in raw materials. Hence, the sensitivity analysis is not required.

Credit risk on Financial Assets

The company engaged in infrastructure development and construction business on Hybrid Annuity mode Basis (HAM) and currently derive the turnover from EPC contracts with NHAI. Payments are typically not secured by any form of credit support such as letters of credit, performance guarantees or escrow arrangements. Credit risk is the risk that counterparty will not meet its obligations under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks, and other financial instruments.

Financial assets that are potentially subject to concentrations of credit risk and failures by counter-parties to discharge their obligations in full or in a timely manner consist principally of cash, cash equivalents and trade and other receivables. Credit risk on cash balances with Bank are limited because the counterparties are entities with acceptable credit ratings. The exposure to credit risk for trade receivable is low as its mainly consist of NHAI and amount is received on timely basis within the credit period.

Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

	(Amount in Rs.)
	March 31, 2017
Less than 90 days	50,916,859
Over 120 days	-
Total	50,916,859

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company top management in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the top management on an annual basis, and may be updated throughout the year subject to approval of the Company's board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt and overdraft from banks at an optimised cost.

The Company's maximum exposure relating to financial guarantees and financial instruments is noted in note 21 and the liquidity table below:

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs
As at March 31, 2017						
Borrowings	-	11,850,000	-	-	-	11,850,000
Trade and other payables	-	444,370,725	-	-	-	444,370,725
	-	456,220,725	-	-	-	11,850,000

At present, the Company does expects to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.

Note 23 : Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the period ended March 31, 2017.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

Ashoka Kharar Ludhiana Road Limited
Notes to Financial Statements for the period August 23, 2016 to March 31, 2017

	(Amount in Rs.)
	March 31, 2017
Borrowings	11,850,000
Trade payables (Note 12)	444,370,725
Other Financial Liabilities	-
Less: cash and cash equivalents (Note 7)	(7,803,943)
Less: Time deposits placed against overdraft facility	-
Net debt	448,416,782
Equity	750,000,000
Share premium	(6,867,250)
Other reserves	(95,277)
Total sponsor capital	743,037,473
Capital and net debt	1,191,454,255
Gearing ratio (%)	37.64%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2017.

Note 24 : Significant accounting judgement, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

Note 25 : Corporate Social Responsibility (CSR) Activities

	(Amount in Rs.)
	March 31, 2017
(a) Gross amount required to be spent by the company during the period	-
(b) Amount spent during the period:	-
Amount unspent during the period	-

Note 26 : Capital and Other Commitments :

	(Amount in Rs.)
	March 31, 2017
Capital Commitments (net of Advances Rs. 60,00,00,000)	11,739,991,750
	11,739,991,750

Note 27 : Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 :

	SBNs	Other denomination notes	Total
Total Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

Note 28 : Disclosure under Accounting Standard (Ind AS - 11)

	(Amount in Rs.)
	March 31, 2017
(i) Contract revenue recognised as revenue in the period	430,078,965
(ii) For Contracts that are in progress :	
(a) Aggregate amount of costs incurred upto the reporting date	430,078,965
(b) Recognised profits (less recognised losses) upto the reporting date	-
(c) Advances received from customer for contract work	600,000,000
(d) Retention money	-
(iii) Gross amount due from customers for contract work	430,078,965
(iv) Gross amount due to customers for contract work	-

29. Related Party Disclosures

1. Names of related parties and related party relationship

Related Parties where control exists

Ultimate Holding Company	Ashoka Buildcon Limited
Holding Company	Ashoka Concessions Limited
Fellow Subsidiary Company	Ashoka Highways (Bhandara) Limited
Fellow Subsidiary Company	Ashoka Highways (Durg) Limited
Fellow Subsidiary Company	Ashoka Belgaum Dharwad Tollway Limited
Fellow Subsidiary Company	Ashoka Dhankuni Kharagpur Tollway Limited
Fellow Subsidiary Company	Ashoka Sambalpur Baragarh Tollway Limited
Fellow Subsidiary Company	Viva Highways Ltd.
Fellow Subsidiary Company	Viva Infrastructure Ltd.

2. Key management personnel and their relatives:

Key Management Personnel	Satish Parakh
Key Management Personnel	Sanjay Londhe
Key Management Personnel	Rajendra Burad
Relatives of Key Management Personnel	Aditya Parakh (Son of Satish D. Parakh)

3. The following transactions were carried out with the related parties in the ordinary course of business:

Relationship		Ultimate Holding Company	Holding Company	Total
Nature of Transaction		Mar-17	Mar-17	Mar-17
1	Expenses - Contract and site expenses (including provision for expenses)			
	(A) Road construction and site expenses	450,925,109	-	450,925,109
	Ashoka Buildcon Limited	450,925,109	-	450,925,109
	(B) Project Monitoring Services	-	24,150,000	24,150,000
	Ashoka Concessions limited	-	24,150,000	24,150,000
	(C) Other Expenses (Reimbursements)	4,072,376	7,124,573	11,196,949
	Ashoka Buildcon Limited - (BG Charges)	4,064,876	-	4,064,876
	Ashoka Buildcon Limited - (Legal & professional fees)	7,500	-	7,500
	Ashoka Concessions Limited - (Legal & Professional fees)	-	265,323	265,323
	Ashoka Concessions Limited - (Fees for increase in authorised capital)	-	6,859,250	6,859,250
2	Finance			
	(A) Loan received	-	11,850,000	11,850,000
	Ashoka Concessions Limited	-	11,850,000	11,850,000
	(B) Allotment of shares	-	640,100,000	640,100,000
	Ashoka Concessions Limited	-	640,100,000	640,100,000
	(C) Mobilisation advance given	600,000,000	-	600,000,000
	Ashoka Buildcon Limited	600,000,000	-	600,000,000
3	Outstanding at the year end			
	(A) Receivable	600,000,000	-	600,000,000
	Ashoka Buildcon Limited (Mobilisation advance)	600,000,000	-	600,000,000
	(B) Payable	444,370,725	22,050,000	466,420,725
	Ashoka Concessions Limited	-	22,050,000	22,050,000
	Ashoka Buildcon Limited	444,370,725	-	444,370,725
	(C) Loan Payable	-	11,850,000	11,850,000
	Ashoka Concessions Limited	-	11,850,000	11,850,000

Ashoka Kharar Ludhiana Road Limited

Notes to Financial Statements for the period August 23, 2016 to March 31, 2017

Note 30 : Tax Expense

The Company is incorporated in the year 2016-17 and is in its initial stage of operations. The Company has incurred loss of INR 95,277 during the current period. Amount of deferred tax asset is immaterial and hence the same is not recognised in the financial statements.

Note 31 : Events after reporting period

No subsequent event has been observed which may required on adjustment to the balance sheet.

As per our report of even date
For S.R. Batliboi & Co LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of
Ashoka Kharar Ludhiana Road Limited

Sd/-

per Aryn Jassani
Partner
Membership No.: 46447

Place: Mumbai
Date: May 27, 2017

Sd/-

Satish D. Parakh
Director
DIN : 00112324

Place : Mumbai
Date: May 27, 2017

Sd/-

Sanjay P. Londhe
Director
DIN - 00112604