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**ASHOKA HIGHWAYS (DURG) LIMITED**

**ANNUAL REPORT  
2014-15**

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**BOARD OF DIRECTORS**

Ashish Ashok Kataria	Director
Anil Shantilal Gandhi	Director
Aditya Satish Parakh	Director
Ankur Rajender Srivastava	Nominee Director
Narayanan Gopalakrishnan	Nominee Director
Sunanda Vishnu Dandekar	Independent Director
Rajendra Lalchand Singhvi	Independent Director

**AUDITORS**

M/s Natvarlal Vepari Co., Mumbai

**REGISTERED OFFICE**

Ashoka House, Ashoka Marg, Nasik – 422 011

**BANKERS**

IDFC Limited



**ASHOKA HIGHWAYS (DURG) LIMITED  
NOTICE TO SHAREHOLDERS**

**NOTICE** is hereby given that the Eighth Annual General Meeting of Ashoka Highways (Durg) Limited will be held on Tuesday, September 15, 2015 at 12.30 p.m. at the registered office of the Company at "Ashoka House", Ashoka Marg, Nasik – 422 011 to transact the following businesses –

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as at March 31, 2015, along with the reports of the Board of Directors and Auditors thereon;
2. To appoint Director in place of Mr. Anil Gandhi who retires by rotation and being eligible offers himself for re-appointment; and
3. To ratify the appointment of Statutory auditors for the financial year 2015-16 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 the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Audit Committee and the Board of Directors and pursuant to the resolution passed by the Members at the Annual General Meeting held on September 11, 2014 approving the appointment of M/s Natvarlal Vepari & Co., Chartered Accountants, Mumbai having ICAI Firm Registration No. 106971W, as the statutory auditors of the Company upto the conclusion of the AGM for the financial year 2017-18 be and is hereby ratified as Statutory Auditors of the Company for the financial year 2015-16 at such remuneration as shall be fixed by the Board of Directors 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.

**Appointment of Independent Director:**

**"RESOLVED THAT** pursuant to the provisions of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rajendra Singhvi (DIN: 00037069), who holds office up to the date of this Annual

General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years effective from March 31, 2015 upto March 30, 2020 with the period of office not liable to determination by retirement by rotation”.

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

**Appointment of Independent Director:**

**"RESOLVED THAT** pursuant to the provisions of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Sunanda Dandekar (DIN: 07144108), who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years effective from March 31, 2015 upto March 30, 2020 with the period of office not liable to determination by retirement by rotation”.

**For and on behalf of the Board**

**Sd/-**

**Place: Mumbai  
Date: 24.07.2015**

**(Aditya S. Parakh)  
Director  
DIN - 06368409**

**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**

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**ITEM NO. 4**

Mr. Rajendra Singhvi, Chartered Accountant, aged 63 years, is a non-executive Independent Director. He has over 4 decades of professional experience spanning multiple assignments across various industries. He is Founder partner of Mehta Singhvi & Associates, Chartered Accountants since May 2002, Founder of Jodhpur Association, Mumbai, a non-profit organisation providing platform for fellowship, actively associated with Veerayatan, NGO involved in various social activities including education and medical facilities and Advisor to Akhil Bhartiya Singhvi Sanghatan.

In the opinion of the Board, Mr. Rajendra Singhvi proposed to be appointed as an Independent Director fulfills the conditions specified in the section 149(6) and other applicable provisions of the Companies Act, 2013 and the rules made there under and that the proposed director is independent of the management.

None of the Directors and Key Managerial Persons of the Company or their relatives except Mr. Rajendra Singhvi and his relatives is interested in the said Resolution.

The Board of Directors recommends passing of the resolution as a Special Resolution.

**ITEM NO. 5**

Ms. Sunanda V. Dandekar, aged 48 years, is a non-executive Independent Director. She is qualified banking and financial professional offering over 22 years of comprehensive experience in fund raising, financial planning, reporting compliance and system implementation. Currently spearheading IARC Pvt. Ltd., Mumbai as a President/CFO, expert in finance including funds management, accounting, budgeting, taxation, auditing, investor relations, capitalisation of fixed assets and systems implementation.

In the opinion of the Board, Ms. Sunanda V. Dandekar proposed to be appointed as an Independent Director fulfills the conditions specified in the section 149(6) and other applicable provisions of the Companies Act, 2013 and the rules made there under and that the proposed director is independent of the management.

None of the Directors and Key Managerial Persons of the Company or their relatives except Ms. Sunanda Dandekar and her relatives is interested in the said Resolution.

The Board of Directors recommends passing of the resolution as a Special Resolution.

**For and on behalf of the Board**

**Place: Mumbai**  
**Date: 24.07.2015**

**Sd/-**  
**(Aditya S. Parakh)**  
**Director**  
**DIN – 06368409**



**ASHOKA HIGHWAYS (DURG) LTD.**



## **BOARD'S REPORT TO THE MEMBERS**

Dear Shareholders,

We feel pleasure in presenting Eighth Annual Report on the business and operations of the Company for the year ended March 31, 2015.

### **(1) FINANCIAL RESULTS**

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

<b>(Rs. in Lacs except EPS)</b>		
<b>Particulars</b>	<b>2014-2015</b>	<b>2013-2014</b>
Total Receipts / Gross Sales & Operating Income	6619.23	6512.01
Gross Profit before Depreciation, Amortisation and Tax	(626.73)	(742.42)
Depreciation and amortization	2106.92	1920.23
Profit before Tax	(2733.65)	(2662.65)
Provision for Taxation	----	----
Profit after Tax	(2733.65)	(2662.65)
Earnings per share of Rs. 10/- each		
Basic	(9.20)	(8.96)
Diluted	(9.20)	(8.96)

### **(2) OPERATIONS**

Ashoka Highways ( Durg) Limited, the Company, is a Special Purpose Vehicle (SPV) Incorporated on 15<sup>th</sup> March, 2007 under the provisions of the Companies Act, 1956 by Ashoka Buildcon Limited in pursuance of the contract with National Highway Authority Limited ( NHAI ) to design, engineering, finance, construction, operation and maintenance of End of Durg Bypass- Chhattisgarh/Maharashtra Border Section from km 322.400 to km 405.000 of NH-6 under NHDP Phase III A on Build, Operate and Transfer ( BOT) basis. The Company refinanced its existing project loans by IDFC Ltd from SBI Bank & consortium @ 10.75% against existing interest of 12.60%. Refinancing resulted in saving of interest upto 1.85% and also extended the repayment schedule.

**(3) DIVIDEND**

Since your Company has incurred loss of Rs. 2,733.65 lacs during the year, the Directors have not recommended any Dividend for the financial year 2014-2015.

**(4) NUMBER OF MEETINGS HELD :**

**A. Board Meetings.**

The Board of Directors duly met 5 times during the financial year 2014-15 as follows.

Sr. No.	Date of Meetings
1	28.04.2014
2	05.08.2014
3	12.11.2014
4	27.01.2015
5	24.02.2015

Sr. No	Name	No. of meetings held	No. of meetings attended
1	Mr. Ashok M. Katariya <sup>(1)</sup>	5	0
2	Mr. Ashish A. Kataria	5	5
3	Mr. Anil S. Gandhi	5	0
4	Mr. Ankur R. Srivastava	5	3
5	Mr. Sachin Satish Johri	5	0
6	Mr. Narayanan Gopalakrishnan <sup>(2)</sup>	5	3
7	Mr. Aditya S. Parakh <sup>(3)</sup>	5	0
7	Ms. Sunanda Dandekar <sup>(4)</sup>	5	0
8	Mr. Rajendra L. Singhvi <sup>(5)</sup>	5	0

(1) Mr. Ashok M. Katariya ceased to be Director w.e.f. November 12, 2014.

(2) Mr. Narayanan Gopalakrishnan was appointed as a Director w.e.f. April 28, 2014.

(3) Mr. Aditya S. Parakh was appointed as a Director w.e.f. March 31, 2015.

(4) Ms. Sunanda V. Dandekar was appointed as a Director w.e.f. March 31, 2015.

(5) Mr. Rajendra L. Sanghvi was appointed as a Director w.e.f. March 31, 2015.

**B. Audit Meetings**

The Members of Audit Committee duly met 4 times during the financial year 2014-15 as follows :

Sr. No.	Date of Meetings
1	28.04.2014
2	05.08.2014
3	12.11.2014
4	27.01.2015



## Attendance

Sr. No	Name	No. of meetings held	No. of meetings attended
1	Mr. Ashish A. Kataria	4	4
2	Mr. Ankur R. Srivastava <sup>(1)</sup>	4	2
3	Mr. Anil S. Gandhi <sup>(2)</sup>	4	0
4	Mr. Narayanan Gopalakrishnan	4	2
5	Mr. Aditya Aggarwal <sup>(3)</sup>	4	0
6	Ms. Sunanda Dandekar <sup>(4)</sup>	4	0
7	Mr. Rajendra L. Singhvi <sup>(5)</sup>	4	0

- (1) Mr. Ankur R. Srivastava ceased to be Members of Audit Committee after reconstitution on April 28, 2014.
- (2) Mr. Anil S. Gandhi and Mr. Narayanan Gopalakrishnan were appointed as Members of Audit Committee after re-constitution on April 28, 2014.
- (3) Mr. Aditya Aggarwal ceased to be Member of Audit Committee after re-constitution on April 28, 2014.
- (4) Ms. Sunanda V. Dandekar was appointed as a Director w.e.f. March 31, 2015.
- (5) Mr. Rajendra L. Sanghvi was appointed as a Director w.e.f. March 31, 2015.

## (5) DIRECTORS:

### (i) Confirmation of appointment of Additional Director

Pursuant to the provisions of the section 161(1) of the Companies Act, 2013 read with the Articles of Association of the company, Mr. Aditya Parakh is appointed as an Additional Director and he shall hold office only up to the date of this Annual General Meeting. The Company has received letter dated March 31, 2015 u/s 161.

### (ii) Director liable to retirement 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. Ashish Kataria, 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.

### (iii) Appointment of Independent Directors :

**a)** Your Directors state that Ms. Sunanda Dandekar, who is proposed to be appointed as Independent Director possesses appropriate balance of skills, expertise and knowledge and is qualified for appointment as an Independent Director.

**b)** Your Directors state that Mr. Rajendra Singhvi, who is proposed to be appointed as Independent Director possesses appropriate balance of skills, expertise and knowledge

and is qualified for appointment as an Independent Director.

Your Directors recommend the appointments of Ms. Sunanda Dandekar and Mr. Rajendra Singhvi as Independent Directors.

The Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

**(6) COMMITTEE**

**A) AUDIT COMMITTEE**

The Audit Committee has been reconstituted on March 31, 2015 as per the provisions of the Companies Act, 2013 as follows to include Independent Directors.

<b>Name</b>	<b>Status</b>	<b>Category</b>
Mr. Ashish A, Kataria	Chairman	Non-Executive
Ms. Sunanda Dandekar	Member	Non-Executive & Independent
Mr. Rajendra Singhvi	Member	Non-Executive & Independent

**B) NOMINATION AND REMUNERATION COMMITTEE**

The Board of Directors of Company has constituted Nomination and Remuneration Committee on March 31, 2015.

<b>Name</b>	<b>Status</b>	<b>Category</b>
Mr. Ashish Kataria	Chairman	Non-Executive
Ms. Sunanda Dandekar	Member	Non-Executive & Independent
Mr. Rajendra Singhvi	Member	Non-Executive & Independent

**(7) AUDITORS**

The Company's Auditors, M/s. Natvarlal Vepari & Co., Chartered Accountants, Mumbai, (Firm Registration No. 106971 W) who retire at the ensuing Annual General Meeting of the Company are eligible for re-appointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for re-appointment as Auditors of the Company. Your Directors recommend the ratification of appointment of M/s Natvarlal Vepari & Co., Chartered Accountants as Statutory Auditors for financial year 2015-16. (Also insert in AHBL, if missed out)

**(8) PUBLIC DEPOSITS**

The Company has not accepted deposits u/s 73 of the Companies Act, 2013 during the F.Y. 2014-2015.

**(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 that were entered during the financial year were on an arm's length basis and were 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 omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 are enclosed as **Annexure - II**.

**(11) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :**

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.

**(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) DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES**

In accordance with Section 178 and other applicable provisions if any, of the Companies Act, 2013 read with the Rules issued thereunder, the Board of Directors at their meeting held on May 04, 2015 formulated the Nomination and Remuneration Policy of your Company on the recommendations of the Nomination and Remuneration Committee. The Remuneration Policy has been annexed to this Report as **Annexure III**.

**(14) ACCOUNTS**

The accounts read together with the Notes to Accounts are self-explanatory and do not call for any further explanation except following :

*Observation : The Company has accumulated losses in excess of its net worth and it has incurred cash losses in the current year and the immediately preceding financial year.*

*Reply : The business model of BOT SPVs do experience such situation due to high*

borrowing cost in initial years of operations, which in later years is set off with higher margins.

The Company has got project loans refinanced which would reduce its cost of borrowing. Now it is expected that the net worth would improve during the subsequent years on account of reduction in borrowing cost and increased toll revenues due to increase in toll rates and rise in traffic. The erosion of net worth of the Company is a transitory phase which is expected to recover in coming years as the Company still has around 15 years of toll collection period in hand.

**(15) CORPORATE SOCIAL RESPONSIBILITY (CSR) :**

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

**(16) VIGIL MECHANISM :**

In pursuance of the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism has been enclosed as part of this report as **Annexure IV**.

**(17) EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 are annexed herewith as Annexure -III.

**(18) DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 134 of the Companies Act, 2013, the Board of Directors hereby 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.

**(19) ACKNOWLEDGEMENT**

The Board of Directors place on record their deep appreciation to the National Highways Authority of India, State Government of Chhattisgarh, bankers, financial institutions and others for their co-operation, patronage and support during the year under review and look forward for a constant cordial relationship in the years to come.

The Board of Directors wish to place on record their deep appreciation for the services rendered by the employees of the company at all levels and for their continued hard work, dedication and loyalty and in ensuring high level of performance.

**For and on behalf of the Board**

**Sd/-**

**Place: Mumbai  
Date: 24.07.2015**

**(Aditya S. Parakh)  
Director  
DIN - 06368409**

**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	U74999MH2007PLC168772
ii	Registration Date	15.03.2007
iii	Name of the Company	<b>ASHOKA HIGHWAYS (DURG) LTD.</b>
iv	Category of the Company	Non Govt. Company
v	Address of the Registered office & contact details	Ashoka House, Ashoka Marg, Nashik, Maharashtra. Tel. 0253-3011705, Fax - 0253-2236704 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	43	99.88%

**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	51%	2(46)
2	HIGHWAY CONCESSIONS ONE PRIVATE LIMITED	U45200MH2010PLC208056	ASSOCIATE	49%	2(6)

**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	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	0	0	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.	29,715,178	5	29715183	100%	29,715,178	5	29,715,178	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%
<b>(2) Foreign</b>									
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%
<b>Total shareholding of Promoter (A)</b>	29715178	5	29715183	100%	29715178	5	29715178	100%	0%
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0%	0	0	0	0%	0%
b) Banks / FI	0	1	1	0%	0	1	1	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%
<b>Sub-total (B)(1):-</b>	0	1	1	0%	0	1	1	0	0%

<b>2. Non-Institutions</b>									
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%
<b>Sub-total (B)(2):-</b>	0	0	0	0%	0	0	0	0%	0%
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	0	1	1	0%	0	1	1	0%	0%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0%	0	0	0	0%	0%
<b>Grand Total (A+B+C)</b>	29715178	6	29715184	100%	29715178	6	29715184	100%	0%



ii **Shareholding of Promoters**

SI 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	15,154,732	51%	51.00%	15,154,732	51%	51.00%	0%
2	HIGHWAY CONCESSIONS ONE PRIVATE LIMITED	14,560,442	49%	0%	14,560,442	49%	0%	0%
3	ASHOKA BUILDCON LIMITED	9	0%	0%	9	0%	0%	0%
	<b>TOTAL</b>	29,715,183	100%	51%	29,715,183	100%	51%	0%

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

SI. No. I - M/s. Ashoka Concessions Ltd	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	15,154,732	51%	15,154,732	51%
Changes During the Year	0	0%	0	0%
At the End of the year	15,154,732	51%	15,154,732	51%

SI. No. II - M/s. Ashoka Buildcon Limited	Shareholding at the beginning of		Cumulative Shareholding	
	No. of shares	% of total shares of the	No. of shares	% of total shares of the
At the beginning of the year	9	0%	9	0%
Changes During the Year	0	0%	0	0%
At the End of the year	9	0%	9	0%

SI. No. III- M/s. Highway Concessions One Private Limited	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total	No. of shares	% of total
At the beginning of the year	14,560,442	49%	14,560,442	49%
Changes During the Year	0	0%	0	0%
At the End of the year (or on the date of separation, if separated during the year)	14,560,442	49%	14,560,442	49%

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

There is no other shareholder other than Directors, Promoters.

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

None of the directors and KMPs hold shares.

v **INDEBTEDNESS**

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

<b>Indebtedness at the beginning of the financial year</b>	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtness</b>
i) Principal Amount	910403276	874430058	0	1784833334
ii) Interest due but not paid	0	4739448	0	4739448
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	910403276	879169506	0	1789572782
<b>Change in Indebtedness during the financial year</b>	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtness</b>
* Addition	0	0	0	0
* Reduction	0	0	0	0
<b>Net Change</b>	0	0	0	0
<b>Indebtedness at the end of the financial year</b>	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtness</b>
i) Principal Amount	910403276	874430058	0	1784833334
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	910403276	874430058	0	1784833334

**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 has drawn remuneration in the F.Y. 2014-15.

*B. Remuneration to other directors:*

None of the Directors has drawn remuneration in F.Y.

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

None of the KMPs has drawn remuneration in F.Y. 2014-15.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

**For and on behalf of Board of Directors**

**Place : Mumbai  
Date : 24-07-2015**

**Sd/-  
(Aditya S. Parakh)  
Director  
DIN-06368409**

**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.	Enterprises in which Key Management Or Directors have significant influence	Rendering of Services	Upto June, 2017	EPC for Major Maintenance - 1,224.78	04.02.2014	Nil
			Rendering of Services	Ongoing, Renewal on terms and conditions	Contract Works - 1387.13		
			Rendering of Services	Ongoing, Renewal on terms and conditions	Reimbursement Expenditure - 19.49		
			Loan Taken	Repayable on Demand	Loan taken for Principal Business - 2054.61		
2	Ashoka Concessions Ltd	Holding Company	Rendering of Services	Ongoing, Renewal on terms and conditions	O & M Expenditure - 499.36	04.02.2014	Nil
			Loan Taken	Repayable on Demand	Loan taken for Principal Business - 771.63		
3	Ashoka Technologies Pvt. Ltd.	Enterprises in which Key Management Or Directors have significant influence	Rendering of Services	Ongoing, Renewal on terms and conditions	Reimbursement Expenditure - 1.05	04.02.2014	Nil

For and on behalf of Board of Directors of  
Ashoka Highways (Durg) Limited

Sd/-

(Aditya S. Parakh)  
Director  
DIN-06368409

Place : Mumbai  
Date : 24/07/2015

## **Annexure – III**

### **ASHOKA HIGHWAYS (DURG) LIMETED**

#### **REMUNERATION POLICY**

The Remuneration Policy (**“Policy / this Policy”**) of Ashoka Highways (Durg) Ltd. (the “Company”) is designed to attract, motivate and retain manpower in a competitive market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

The Policy applies to the Company's Board of Directors, Senior Management, including its Key Managerial Personnel (KMP).

#### **Guiding principles**

The guiding principle is that the remuneration and the other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent Executives.

#### **Remuneration Policy**

The Nomination and Remuneration Committee recommends to the Board the compensation package of the Executive Directors and also the compensation payable to the Non-Executive Directors of the Company in accordance with the provisions contained in the Companies Act, 2013.

The Company has the Policy of remunerating Non-Executive Directors through payment of Sitting Fees, or Commission or both within the ceiling prescribed by the Central Government.

**Annexure - IV**  
**ASHOKA HIGHWAYS (DURG) LIMITED**  
**Vigil Mechanism / Whistle Blower Policy**

**Introduction**

Ashoka Highways (Durg) Limited (**"the Company"**) believes in conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Company is committed to develop a culture where it is safe for all employees to raise concerns about any fraudulent or unacceptable practice and any event of misconduct.

Vigil Mechanism / Whistle Blower Policy (**"the Policy"**) is a device to help alert and responsible individuals to bring to the attention of the Management, promptly and directly, any unethical behavior, suspected fraud or abrasion or irregularity in the Company practices which is not in line with Code of Business Principles or the law of the land, without any fear or threat of being victimized.

This Policy is issued pursuant to Section 177 of the Companies Act, 2013, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014.

The Company is committed to provide adequate safeguards against victimization of employees and directors or other persons who avail of such mechanism and also provide for direct access to the Chairperson of the Audit Committee or the Director nominated by the Audit Committee, as the case may be, in exceptional cases.

**a) Address for Communication :**

If any Director / Employee comes across any information detrimental to the interest of the Company, the same should be intimated immediately to the Compliance Officer. The procedure as outlined hereunder will be adopted to deal with such concerns / grievances.

The Whistle Blower shall send his/her Grievance / Complaint ("Complaint") in written form to the following address.

To,  
Manager,  
Ashoka Highways (Durg) Limited  
Ashoka House, Ashoka Marg,  
Nasik - 422 011

The Manager is designated as Compliance Officer of the Company, reporting to Chairman of the Audit Committee.

The concerns / grievances shall be sent to the Chairman of the Audit Committee.

The concerns / grievances shall be received in writing by the Compliance Officer duly signed by the complainant. The employee making the complaint shall identify oneself while reporting a concern.

Anonymous Reports shall not be considered for further action.

Employees can raise a concern to his supervisor / Manager or a member of the Management. Alternatively, an employee can raise a concern directly to the Compliance Officer in writing.

The Complaint raised will be placed before an appropriate Committee for investigation. The Committee will investigate the Complaint and if it finds no merit or materiality in the Complaint, the said Complaint will be closed and intimation will be sent to Whistle Blower within reasonable period and in any case not exceeding 90 days from the receipt of Complaint.

However, if any merit is found in the Complaint, the Compliance Officer in consultation with the Management will nominate an Investigating Officer who will conduct the investigations directly or through a team formed by the Compliance Officer depending on the nature of the concern. On receipt of the investigation report the Compliance Officer will submit his Report to the Audit Committee who will take a decision on the action to be initiated regarding the concern raised.

The Committee shall give an opportunity of being heard to the Whistle Blower and the investigation will be conducted following the principles of natural justice. In case of any criminal action that may be required/advised to be initiated, the Chairman of the Company will take a final decision.

**b) Protection**

- (A) No unfair treatment will be given to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization of Whistle Blower. Complete protection will, be given to Whistle Blower against any unfair practice like threat or termination / suspension of service, disciplinary action, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure.
- (B) The Company will do its best to protect confidentiality of an identity of the Whistle Blower.
- (C) If the Whistle Blower makes an allegation in good faith, which is not confirmed by the investigation, no action will be taken against the Whistle Blower. However, if a complaint is found to be malicious or vexatious or made with any ulterior motive or malafide intention, appropriate disciplinary action will be taken.
- (D) The Company will not entertain anonymous / frivolous grievance.

**c) Reporting:**

- A quarterly report with number of Complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board periodically.
- Details of establishment of such mechanism shall be disclosed by the company on its website, if any, and in the Board's report.

**d) Coverage of Policy:**

The Policy covers malpractices and events which have taken place/ suspected to take place involving:

- a) Abuse of authority;
- b) Breach of contract;
- c) Negligence causing substantial and specific danger to public health and safety;
- d) Manipulation of company data/records;
- e) Financial irregularities, including fraud, or suspected fraud;
- f) Criminal offense;
- g) Pilferation of confidential/propriety information;
- h) Deliberate violation of law/regulation;
- i) Wastage/misappropriation of company funds/assets;
- j) Breach of employee Code of Conduct or Rules; and
- k) Any other unethical, biased, favoured, imprudent event

The above Vigil Mechanism has been approved at the meeting of Board of Directors of the Company. The same will be effective from March 31, 2015.



***Natvarlal Vepari & Co.***  
**Chartered Accountants**

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Oricon House, 12<sup>th</sup> Floor, 12, K, Dubash Marg, Mumbai – 400 023. Tel : 67527100. Fax : 67527101,  
E-mail : nvc@nvc.in

**INDEPENDENT AUDITOR’S REPORT**

**To the Members of Ashoka Highways ( Durg) Limited**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Ashoka Highways (Durg)Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management’s Responsibility for the Financial Statements**

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

**Auditor’s Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

### **Emphasis of Matter**

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of section 164(2) of the Act
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 22 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There are no amounts that are required to be transferred to the Investor education and Protection Fund.

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

Sd/-

Nuzhat Khan  
Partner  
Membership No. 124960  
Mumbai, Dated 4<sup>th</sup> May 2015

## **ANNEXURE TO AUDITOR'S REPORT**

- (i)(a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) Fixed assets have been physically verified by the management during the period and no material discrepancies were identified on such verification.
- (ii) The company does not have any inventories and the provisions of para (b) and (c) clause (ii) of the Companies (Auditors Report) Order 2015 are not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured from companies, firms or other parties covered in the register maintained u/s 189 of the Companies Act, 2013 and hence the sub clauses (a) and (b) clause (iii) of the Companies (Auditors Report) Order 2015 is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas..
- (v) The Company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and rules framed there under. Therefore, the provisions of clause (v) of the Companies (Auditors Report) Order 2015 are not applicable to the Company. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections.
- (vi) As informed to us the maintenance of the cost records under the sub-section (1) of section 148 of the Companies Act, 2013 has been prescribed and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.
- (vii) (a) The Company has been by and large regular in depositing undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed

amount payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period of more than six months from the date of becoming payable.

- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute.
- (c) No Amount is required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act 2013 and rules made thereunder.
- (viii) *The Company has accumulated losses in excess of its networth and it has incurred cash losses in the current year and the immediately preceding financial year.*
- (ix) According to the information and explanations given to us and based on the documents and records produced to us, the company has not defaulted in payment of dues to the Financial Institution or Banks.
- (x) According to the information and explanations given to us and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution and hence clause (x) of Companies (Auditors Report) Order 2015 is not applicable.
- (xi) The term loans taken by the company during the year have been applied for the purpose for which the same were taken.
- (xii) According to the information and explanations given to us and to the best of our knowledge and belief no fraud on or by the Company has been noticed or reported during the year.

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

Sd/-

Nuzhat Khan  
Partner  
Membership No. 124960  
Mumbai, Dated : 4<sup>th</sup> May 2015

## Balance Sheet as at March 31, 2015

(` in Lacs)

Particulars	Note No.	As at 31/Mar/15	As at 31/Mar/14
<b>I EQUITY &amp; LIABILITIES</b>			
1 Shareholders' Funds			
(a) Share Capital	1	2,971.52	2,971.52
(b) Reserves & Surplus	2	(3,337.63)	(603.98)
(c) Money Received against Share Warrants		-	-
		(366.11)	2,367.54
2 Share Application Money pending Allotment		-	-
3 Non-current Liabilities:			
(a) Long-term Borrowings	3	53,349.19	52,737.80
(b) Deferred Tax Liabilities (net)		-	-
(c) Other Long Term Liabilities	6	100.00	372.58
(d) Long Term Provisions	4	0.16	0.68
		53,449.35	53,111.06
4 Current Liabilities:			
(a) Short-term Borrowings		-	-
(b) Trade Payables	5	1,527.42	53.75
(c) Other Current Liabilities	6	1,016.93	2,232.73
(d) Short-term Provisions	4	2,486.67	2,433.93
		5,031.02	4,720.41
<b>Total</b>		<b>58,114.26</b>	<b>60,199.01</b>
<b>II ASSETS</b>			
1 Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	7	87.21	33.68
(ii) Intangible Assets	7	57,847.82	59,941.52
(iii) Capital work-in-progress		-	-
(iv) Intangible Assets under development	7	-	-
(b) Non-current Investments		-	-
(c) Deferred Tax Liabilities (net)		-	-
(d) Long-term Loans & Advances	9	9.50	14.71
(e) Other non-current Assets	10	6.67	6.67
		57,951.20	59,996.58
2 Current Assets			
(a) Current Investments		19.54	-
(b) Inventories		-	-
(c) Trade receivables	8	90.77	90.77
(d) Cash and Cash Equivalents	11	34.38	84.06
(e) Short-term loans and advances		-	-
(f) Other current assets		18.37	27.61
		163.06	202.44
<b>Total</b>		<b>58,114.26</b>	<b>60,199.01</b>

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

As per our report of even date attached

**For NATVARLAL VEPARI & CO.**

**Chartered Accountants**

Firm Registration No. 106971W

**For & on behalf of the Board of Directors**

Director

Director

Nuzhat Khan

**Partner**

M.No. 124960

Place: Mumbai

Date: 4th May 2015

Place: Mumbai

Date: 4th May 2015

## Statement of Profit and Loss for period ended March 31, 2015

(` in Lacs)

Particulars	Note No.	For period ended 31/Mar/15	For period ended 31/Mar/14
<b>INCOME</b>			
I Revenue from operations			
Toll Collections	12	6,619.23	6,031.31
Contract Receipts	12	-	473.95
II Other Income	13	7.56	6.74
Total Revenue		6,626.79	6,512.01
<b>III EXPENDITURE</b>			
Employee Benefits Expenses	14	56.23	87.79
Finance Expenses	15	5,177.89	5,138.14
Depreciation and Amortisation	17	2,106.92	1,920.23
Other Expenses	16	2,019.39	2,028.50
Total Expenses		9,360.43	9,174.66
IV Profit before tax		(2,733.65)	(2,662.65)
Tax expenses		-	-
V Profit / (Loss) for the period		(2,733.65)	(2,662.65)
VI Earnings per Equity Share			
Basic	19	(9.20)	(8.96)
Diluted	19	(9.20)	(8.96)

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

As per our report of even date attached  
For NATVARLAL VEPARI & CO.  
Chartered Accountants  
Firm Registration No. 106971W

For & on behalf of the Board of Directors

Director

Director

Nuzhat Khan  
**Partner**  
M.No. 124960

Place: Mumbai  
Date: 4th May 2015

Place: Mumbai  
Date: 4th May 2015

## Cash Flow Statement for the period ended 31st March, 2015

(` in Lacs)

	For period ended	For period ended
	31-Mar-15	31-Mar-14
<b><u>A CASH FLOW FROM OPERATING ACTIVITIES :</u></b>		
Net Profit / (Loss) Before Extraordinary Items and Taxation	(2,733.65)	(2,662.65)
<b>Adjustment for :</b>		
Depreciation & Amortisation	2,106.92	1,920.23
Provision for Periodic Maintenance	919.45	937.20
Finance Cost	5,177.89	5,138.14
Retirement Benefits	(0.70)	(0.85)
Profit on sale of fixed assets	-	(2.57)
Profit on Redemption of Investments	(6.09)	(2.76)
Sub-Total	8,197.47	7,989.39
<b>Operating Profit Before Changes in Working Capital</b>	<b>5,463.82</b>	<b>5,326.74</b>
<b>Adjustments for changes in working capital:</b>		
Increase/(Decrease) in Trade Receivables & Other Assets	9.24	(6.67)
Utilisation of Periodic Maintenance Provisions	(866.53)	-
Increase/(Decrease) in Trade Payables & Other Liabilities	1,217.37	44.79
Sub-Total	360.08	38.12
<b>Cash Generated from Operations</b>	<b>5,823.90</b>	<b>5,364.86</b>
Income Tax Paid	5.21	(9.48)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>5,829.11</b>	<b>5,355.38</b>
<b><u>B CASH FLOW FROM INVESTING ACTIVITIES :</u></b>		
Purchase of Fixed Assets	(66.75)	(4.73)
Sale of Assets	-	4.58
Investment in Mutual Funds	(4,678.61)	(1,957.00)
Redemption Proceeds from Investment in Mutual Fund	4,665.16	1,959.76
(Increase)/Decrease in Receivables-Project	-	-
Increase Current Liabilities-Project	-	-
<b>Trade Payable (Projects)</b>	<b>-</b>	<b>-</b>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(80.20)</b>	<b>2.61</b>
<b><u>C CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Proceeds from Borrowings	2,826.24	829.33
Repayment of Borrowings	(3,444.85)	(1,002.16)
Interest Paid	(5,179.98)	(5,135.56)
Grant Received	-	-
<b>NET CASH RECEIPT FROM FINANCING ACTIVITIES</b>	<b>(5,798.59)</b>	<b>(5,308.39)</b>
<b>Net Increase In Cash &amp; Cash Equivalents</b>	<b>(49.68)</b>	<b>49.60</b>
<b>Cash and Cash Equivalents at the beginning of the period</b>	<b>84.06</b>	<b>34.45</b>
<b>Cash and Cash Equivalents at the end of the period</b>	<b>34.38</b>	<b>84.06</b>
	<b>(49.68)</b>	<b>49.60</b>

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

As per our report of even date attached  
For NATVARLAL VEPARI & CO.  
Chartered Accountants  
Firm Registration No. 106971W

For & on behalf of the Board of Directors

Director

Director

Nuzhat Khan  
**Partner**  
M.No. 124960

Place: Mumbai  
Date: 4th May 2015

Place: Mumbai  
Date: 4th May 2015



**1 Share Capital**

a The details of share capital as at March 31, 2015 are as under:

Particulars	As at 31-March-15		As at 31-Mar-14	
	Number	(` in Lacs)	Number	(` in Lacs)
Face Value	10		10	
Class of Shares	Equity		Equity	
<b>Authorised Capital:</b>				
Equity	76,000,000	7,600	76,000,000	7,600
Issued, Subscribed And Fully Paid up Capital:				
<b>Equity</b>	<b>29,715,184</b>	<b>2,972</b>	<b>29,715,184</b>	<b>2,972</b>

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

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

Particulars	As at 31-March-15		As at 31-Mar-14	
	No of Shares	Rupees	Numbers	Rupees
Name of the legal shareholder				
Ashoka Buildcon Ltd- Ultimate Holding Co	9	90	9	90
Ashoka Concessions Ltd - Holding Co	15,154,732	151,547,320	15,154,732	151,547,320
<b>Total</b>	<b>15,154,741</b>	<b>151,547,410</b>	<b>15,154,741</b>	<b>151,547,410</b>

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

Particulars	As at 31-March-15		As at 31-Mar-14	
	Numbers	Rupees	Numbers	Rupees
At the beginning of the period	29,715,184	2,971.52	29,715,184	2,971.52
Issued during the year	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>29,715,184</b>	<b>2,971.52</b>	<b>29,715,184</b>	<b>2,971.52</b>

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

f The Company has not issued any bonus equity shares to its shareholders since inception. The Company has also not granted any options to its employees under Employee Stock Options Scheme ('ESOP') since inception.

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

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

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

Name of Shareholder	As at 31-March-15		As at 31-Mar-14	
	Number of shares held	% of Total Share Capital	Number of shares held	% of Total Share Capital
Ashoka Concessions Ltd	15,154,732	51.00	15,154,732	51.00
Highway Concessions One Pvt Ltd	14,560,442	49.00	14,560,442	49.00

**2 Reserves & Surplus**

Particulars	As at 31-March-15		As at 31-Mar-14	
	Rs.	Rs.	Rs.	Rs.
i <b>Securities Premium Account</b>		5,772.63		5,772.63
ii <b>Surplus</b>				
Balance as per last Balance Sheet	(6,376.61)		(3,713.96)	
Add:- Profit/(Loss) for the year	(2,733.65)		(2,662.65)	
<b>Sub Total:</b>		<b>(9,110.26)</b>		<b>(6,376.61)</b>
<b>Total (i+ii)</b>		<b>(3,337.63)</b>		<b>(603.98)</b>

3 **Borrowings**

	Non-Current		Current Maturities	
	As at 31-March-15	As at 31-Mar-14	As at 31-March-15	As at 31-Mar-14
<b>Secured Loans:</b>				
Term Loan From Banks	27,260.56	27,978.81	718.20	1663.20
Term Loans From Financial Institutions	8,240.30	8,456.90	216.60	501.60
<b>Unsecured Loans:</b>				
Loan from Shareholders	17,848.33	16,302.09	-	-
<b>Total Loans (i)+(ii):</b>	<b>53,349.19</b>	<b>52,737.80</b>	<b>934.80</b>	<b>2,164.80</b>
Amount disclosed under the head "Other Current Liabilities" (note 6)			934.80	2,164.80
<b>Total</b>	<b>53,349.19</b>	<b>52,737.80</b>	<b>-</b>	<b>-</b>
The above amount includes				
Secured Borrowings	<b>35,500.86</b>	<b>36,435.71</b>	<b>934.80</b>	<b>2,164.80</b>
Unsecured Borrowings	<b>17,848.33</b>	<b>16,302.09</b>	<b>0.00</b>	<b>-</b>
<b>Total</b>	<b>53,349.19</b>	<b>52,737.80</b>	<b>934.80</b>	<b>2,164.80</b>

a. **Security**

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

The borrowings have a floating interest rate ranging between 11.5%- 12% approximately. A detailed breakdown of financial payables by maturity is presented below:

b. **Terms of Repayment of the term loan.**

(' in Lacs)

Maturity period	Amount Repayable as at	
	31-Mar-15	31-Mar-14
Repayment within one year from the end of the financial year	934.80	2,164.80
Repayment beyond one year to five years from the end of the financial year	9,211.00	6,051.60
Repayment beyond five years from the end of the financial year	26,289.86	30,384.11
	<b>36,435.66</b>	<b>38,600.51</b>

- d. The company has availed unsecured loans from shareholders which are interest free as well as interest bearing. The said loans are repayable to the shareholders when there is surplus cash available with the company. Based on the management's assessment of repayment the same has been classified as non-current. The unsecured loans amounting to Rs. 14010.56 Lacs (P.Y. Rs 14011.56 Lacs) are interest free and the balance amount of Rs.3,837.77 ( P.Y. 2291.53) is chargeable to interest @1% more than the loans from the banks and Financial Institutions

4 **Provisions**

(' inLacs)

Particulars	Non-Current		Current	
	As at 31-March-15	As at 31-Mar-14	As at 31-March-15	As at 31-Mar-14
Provision for Scheduled Maintenance	-	-	2486.62	2,433.70
<b>Provision for Employee benefits:</b>				
Provision for Gratuity	-	-	-	-
Provision for Unearned Leave	0.16	0.68	0.05	0.23
<b>Total :</b>	<b>0.16</b>	<b>0.68</b>	<b>2,486.67</b>	<b>2,433.93</b>

**Provision for Scheduled Maintenance:**

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

(' inLacs)

Particulars	Balance as at 1-Apr-14	Provisions made	Provisions reversed / Utilised	Balance as at As at 31-March-15
Scheduled Maintenance	2433.70	1277.70	866.53	2844.87
	[1496.50]	(937.20)	[-]	(2,433.70)

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

During the period the Company has started the major maintenance work and has booked the bills of the contractor and debited the same against the provision for the major maintenance

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

(' inLacs)

Particulars	As at 31-March-15		As at 31-Mar-14	
	Gratuity	Unearned Leave	Gratuity	Unearned Leave
Present Value of Obligation at the beginning of the period	1.37	0.90	1.02	0.73
Interest Cost	0.11	0.07	0.08	0.06
Current Service Cost	0.22	0.15	0.74	0.54
Benefits paid	0.00	1.47	0.00	0.26
Actuarial (Gain) / Loss	(1.14)	0.55	(0.48)	(0.16)
<b>Present Value of Obligations as at end of period</b>	<b>0.57</b>	<b>0.21</b>	<b>1.37</b>	<b>0.90</b>
Fair Value of Plan Assets at the beginning of the period	2.09	Nil	0.00	Nil
Expected Return on Plan Asset	0.19	Nil	0.01	Nil
Contributions	0.00	Nil	2.08	Nil
Benefits paid	0.00	Nil	0.00	Nil
Fair Value of Plan Assets as at end of period	2.24	Nil	2.09	Nil
Funded / (Unfunded) Status	1.67	Nil	0.72	Nil
Actual (Gain) / Loss for the period-Obligation	(1.14)	0.55	(0.48)	(0.16)
Actual Gain / (Loss) for the period-Plan Assets	Nil	Nil	Nil	Nil
<b>Total (Gain) / Loss for the period</b>	<b>(1.14)</b>	<b>0.55</b>	<b>(0.48)</b>	<b>(0.16)</b>
<b>Amount to be recognized in the Balance Sheet:</b>				
Present Value of Obligations as at the end of the period	0.57	0.21	1.37	0.90
Fair Value of Plan Assets as at the end of the period	2.24	Nil	2.09	Nil

## Explanatory Notes to Financial Statements for period ended March 31, 2015

Unfunded Status	(1.67)	0.21	(0.73)	0.90
Net Asset / (liability) recognized in the balance sheet	1.67	(0.21)	0.73	(0.90)
<b>Expenses recognized in the Profit &amp; Loss Account</b>				
Current Service Cost	0.22	0.15	0.74	0.54
Interest Cost	0.11	0.07	0.08	0.06
Expected Return on Plan Assets	0.19	Nil	0.01	Nil
Net Actuarial (Gain) / Loss recognized in the period	(1.14)	0.55	(0.48)	(0.16)
Expenses recognized in the Profit & Loss Account	(1.00)	0.77	0.33	0.43
Financial Assumptions as the Valuation Date				
Discount Rate (p.a.)	8%	8%	8%	8%
Salary Escalation (p.a.)	7%	7%	7%	7%
Withdrawal Rate (p.a.)	1%	1%	1%	1%

1) Employer's contribution includes payments made by the Company directly to its past employees.

2) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

3) The Company's Unearned Leave liability is entirely unfunded

## 5 Trade Payables

(' inLacs)

Particulars	Non-Current		Current	
	As at 31-March-15		31-Mar-15	31-Mar-14
Trade Payables	-	-	-	-
- Micro Small and Medium Enterprises	-	-	-	-
- Others	-	-	1,527.42	53.75
Total	-	-	1,527.42	53.75

a The balance of payables are unconfirmed and are as per books of accounts.

b As per the intimation available with the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

c The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

## 6 Other Liabilities

(' In Lacs)

Particulars	Non-Current		Current	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Sundry Creditor's - Project	0.00	272.58	-	-
Current Maturities of Long-term debts	-	-	934.80	2,164.80
Duties & Taxes Payable	-	-	30.63	7.91
Interest accrued but not due on borrowings	-	-	47.39	49.48
Due to Employees	-	-	4.10	10.54
Deferred Payment Liability	100.00	100.00	-	-
Total Other Current Liabilities	100.00	372.58	1016.93	2232.73

## i Deferred Payment Liability

As per the terms of the concession agreement the Company is required to make a cash pay-out (i.e. negative grant), of Rs. 100 lacs to National Highways Authority of India, in the thirteenth year of the concession period. The same is capitalized to the Concession rights and Capital work in progress on a proportionate basis and is represented as Deferred Payment Liability in the financial statements.

## ASSETS

## 7 Tangible and Intangible Assets

## Tangible Assets

(' in Lacs)

Particulars	Furnit & Fix.	Land	Office Equipment	Vehicles	Total
<b>Gross Block</b>					
As at 1st April 2013	12.33	1.48	11.58	35.22	60.61
Additions	1.10	-	4.73	-	4.73
Disposals	-	-	1.38	9.67	11.05
As at 31st March 2014	13.43	1.48	14.93	25.55	55.39
Additions	-	-	61.44	5.30	66.75
Acquisition through business combination	-	-	-	-	-
Disposals	-	-	-	-	-
<b>As at 31st March 2015</b>	<b>13.43</b>	<b>1.48</b>	<b>76.37</b>	<b>30.85</b>	<b>122.14</b>
<b>Depreciation</b>					
As at 1st April 2013	2.34	-	1.65	16.68	20.66
Charge for the year	2.65	-	1.80	4.55	8.99
Disposals	-	-	0.07	7.87	7.93
As at 31st March 2014	4.98	-	3.38	13.36	21.71
Charge for the year	1.89	-	8.08	3.25	13.22
Disposals	-	-	-	-	-
Additions	-	-	-	-	-
<b>As at 31st March 2015</b>	<b>6.87</b>	<b>-</b>	<b>11.45</b>	<b>16.61</b>	<b>34.93</b>
<b>Net Block</b>					
As at 31st March 2014	8.45	1.48	11.56	12.20	33.68
<b>As at 31st March 2015</b>	<b>6.56</b>	<b>1.48</b>	<b>64.92</b>	<b>14.25</b>	<b>87.21</b>

Intangible Assets		(` in Lacs)
Particulars	Concession Rights	
<b>Gross Block</b>		
As at 1st April 2013		63,621.13
Additions		-
Disposals		-
As at 31st March 2014		63,621.13
Additions		-
Acquisition through business combination		-
Disposals		-
As at 31st March 2015		63,621.13
<b>Depreciation / Amortisation</b>		
As at 1st April 2013		3,679.61
Charge for the year		-
Disposals		-
As at 31st March 2014		3,679.61
Charge for the year		2,093.70
Disposals		-
As at 31st March 2015		5,773.31
<b>Net Block</b>		
As at 31st March 2014		59,941.52
As at 31st March 2015		57,847.82

Intangible Assets under development:		(` in Lacs)	
Particulars	31-Mar-15	31-Mar-14	
At the end of the period	0.00	0.00	
Total	0.00	0.00	

- a) The company has carried out the assessment of impairment of its concession right based on the growth rate considered in financial closure model to the lenders though there is all round slowdown in economic activity in the Country. The traffic growth on the stretch was below the estimates considered under the financial closure agreement. However the management based on its expectation of pick-up in the traffic and meeting the projections over the concession period has not modified the projections for the purposes of amortisation of the intangible asset being BOT rights and for testing impairment.
- b) In accordance with the provisions of Schedule II to the Companies Act 2013, effective from 1st April, 2014, the Company has revised the useful lives of its fixed assets. As a consequence of such revision, the charge for depreciation for the period is higher than the previously applied rates by Rs. 6.42 Lacs.

#### 8 Trade receivables

Particulars	Non-current		Current	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
<b>(Unsecured, considered good unless otherwise stated)</b>				
Outstanding for more than six months	-	-	90.77	90.77
Other Debts	-	-	-	0.00
<b>Total</b>	-	-	90.77	90.77

#### 9 Loans & Advances

Particulars	Non-current		Current	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
<b>(Unsecured, considered good unless otherwise stated)</b>				
Prepaid Taxes (Net of Provision)	9.50	14.71	-	-
Advance Gratuity	-	-	1.67	0.73
Interest Receivables	-	-	0.05	0.04
Prepaid Expenses	-	-	16.65	26.81
Advance to Workers	-	-	-	0.04
<b>Total</b>	9.50	14.71	18.37	27.61

#### 10 Other non-current Assets

Particulars	Non-current		Current	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Trade Deposits	6.67	6.67	-	-
<b>Total</b>	6.67	6.67	-	-

#### 11 Cash and Cash Equivalents

Particulars	As at	
	As at 31-March-15	31-Mar-14
<b>Cash &amp; Cash equivalents</b>		
Cash Balances	21.93	18.46
Bank Balances	12.35	65.50
	34.28	83.96
<b>Other Bank Balances</b>		
Other Bank Balances	0.10	0.10
<b>Total</b>	34.38	84.06

i Deposit of Rs.0.10Lacs (P.Y. `0.10 Lacs) with bank is lodged with Commercial Tax Authority.

#### 12 Revenue from operations

Particulars	For period ended	
	As at 31-March-15	31-Mar-14
Toll Collection	6,619.23	6,031.31
Contract Receipts	-	473.95
<b>Total</b>	6,619.23	6,505.26

13 Other Income

(` in Lacs)

Particulars	For period ended	
	As at 31-March-15	31-Mar-14
Profit on Redemption of Current Investments	6.09	2.76
Misc. Receipts	1.23	1.21
Interest on Bank FD	0.01	0.01
Profit on sale of Fixed Assets	-	2.57
Interest on Income Tax Refund	0.23	0.20
<b>Total</b>	<b>7.56</b>	<b>6.74</b>

**EXPENSES**14 Employee Benefits Expenses

(` in Lacs)

Particulars	For period ended	
	As at 31-March-15	31-Mar-14
Salary, Wages, Allowances & Bonus	54.42	82.10
Contribution to Provident and Other Funds	1.88	3.59
Provision for Retirement benefits	-0.22	0.76
Staff Welfare Expenses	0.15	1.34
<b>Total</b>	<b>56.23</b>	<b>87.79</b>

15 Finance Expenses

(` in Lacs)

Particulars	For period ended	
	As at 31-March-15	31-Mar-14
<b>Interest Expenses:</b>		
Interest on Term Loan	4,723.05	4,877.14
Interest Expenses-SPV	403.43	214.12
<b>Other Borrowing Costs:</b>		
Bank Guarantee Charges	29.97	23.94
Financial Charges	3.44	4.94
Processing Fees	18.00	18.00
<b>Total</b>	<b>5,177.89</b>	<b>5,138.14</b>

16 Other Expenses

(` in Lacs)

Particulars	For period ended	
	As at 31-March-15	31-Mar-14
Project Consumables	1.38	1.65
Material Handling Charges	0.29	0.11
Routine Maintenance Charges	499.36	483.64
Labour Charges	138.78	22.06
Misc. Site Expenditure	0.70	0.94
Insurance	14.47	14.82
Technical Consultancy	-	26.89
Power & Fuel	45.41	39.11
Repairs & Maintenance - Machinery	2.22	1.50
Bank Charges	4.29	3.53
Provision for Periodic Maintenance	1,277.70	937.20
Utility Charges		473.95
Rent	0.18	-
Printing & Stationary	1.38	1.78
Communications	1.95	1.97
Travelling & Conveyance	0.76	0.32
Legal & Professional Fee	12.73	1.96
Vehicle Repairs & Maintenance	5.69	4.76
Remuneration to Auditors:		
- Audit Fees	2.70	2.54
- Tax Audit Fees	0.28	0.28
- Certification Fees	0.31	0.21
- Out Of Pocket Expenses	-	-
Advertisement	1.68	2.01
Filing Fees	0.10	0.03
General Charges	7.03	7.25
<b>Total</b>	<b>2,019.39</b>	<b>2,028.50</b>

17 **Depreciation and Amortisation**

(₹ in Lacs)

Particulars	For period ended	
	As at 31-March-15	31-Mar-14
Amortisation of Concession rights	2,093.70	1,911.24
Depreciation on Motor Vehicle	3.25	4.55
Depreciation on Furniture and Fixture	1.89	2.65
Depreciation on Office equipment's	8.08	1.80
<b>Total</b>	<b>2,106.92</b>	<b>1,920.23</b>

18 **Deferred Taxation**

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

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

19 **Earnings per share (EPS)**

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

Particulars	For year ended	
	As at 31-March-15	31-Mar-14
<b>Nominal Value of Equity Shares (₹ Per Share)</b>	<b>10</b>	<b>10</b>
Total number of equity shares outstanding at the beginning of the period	29,715,184	29,715,184
Add : Issue of Equity Shares during period (1 <sup>st</sup> Tranche)	-	-
Total number of equity shares outstanding at the end of period	29,715,184	29,715,184
Weighted average number of equity shares at the end of the period	29,715,184	29,715,184
Profit / (Loss) for the period (₹ in Lacs)	(2,733.65)	(2,662.65)
Basic and Diluted Earnings per share not annualized (₹)	(9.20)	(8.96)

20 **Related Party Transactions**

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

- (A) List of Related Parties:  
(a) Parties where control exists  
(i) Ashoka Buildcon Ltd. (Ultimate Holding Company)  
(ii) Ashoka Concessions Ltd (Holding Company)  
(iii) Highway Concessions One Pvt Ltd

Transactions during the period:

(₹ in Lacs)

Nature of Transactions	Parties Where Control Exists	Associates	Total
<b>O &amp; M Expenditure/EPC:</b>			
Ashoka Concessions Ltd	499.36 [483.64]		499.36 [483.64]
Ashoka Buildcon Ltd-EPC	1224.78 [473.95]		1224.78 [473.95]
Ashoka Buildcon Ltd-O & M	- -		- -
<b>Reimbursement of Expenses:</b>			
Ashoka Buildcon Ltd.	19.49 [36.09]		19.49 [36.09]
<b>Interest Paid</b>			
Ashoka Concessions Ltd	258.31 [168.48]		258.31 [168.48]
Ashoka Buildcon Ltd.	145.12 [45.64]		145.12 [45.64]
<b>Loan Taken:</b>			
Ashoka Buildcon Ltd. Current Account	2054.61 [3717.16]		2054.61 [3717.16]
Ashoka Concessions Ltd IB Loan	771.63 [697.57]		771.63 [697.57]
IDFC (On behalf on Highway Concessions One Pvt		-	-
		(-)	(-)

## Explanatory Notes to Financial Statements for period ended March 31, 2015

<b>Loan Repaid:</b> Ashoka Buildcon Ltd.	<b>1280.00</b> [3256.29]		<b>1280.00</b> [3256.29]
<b>Reimbursement of Expenses:</b> Ashoka Technologies Pvt Ltd		<b>1.05</b> [1.54]	<b>1.05</b> [1.54]
<b>Outstanding Payable against: As on 31.3.2015:</b>			
<b>31st March 2015</b> Ashoka Buildcon Ltd.	<b>3,855.27</b> [3080.66]		<b>3855.27</b> [3080.66]
Ashoka Concessions Ltd	<b>9183.70</b> [8412.07]		<b>9183.70</b> [8412.07]
Highway Concessions One Pvt Ltd-0%		<b>4,809.37</b> [4,809.37]	<b>4,809.37</b> [4,809.37]
<b>For Contract Work:</b> Ashoka Buildcon Ltd.	<b>1,387.13</b> [272.59]		<b>1387.13</b> [272.59]
<b>For Trade Payables:</b> Ashoka Concessions Ltd	<b>41.98</b> [40.09]		<b>41.98</b> [40.09]

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

The company has recognised interest expense payable to M/s Ashoka Buildcon limited & Ashoka Concessions Ltd. on the amounts received from them from time to time. The interest rate, being 1% more than the weighted average rate of the lenders is calculated on the daily outstanding balance and accordingly an amount of 403.43 Lacs has been charged to interest expense.

## 21 Segment Reporting

The Company is engaged in single business segment of Construction of Road on BOT basis and hence the segment reporting is not presented.

## 22 Legal disputes and potential liabilities

Particulars	(in Lacs)	
	As at	31-Mar-14
Bank Guarantees issued by bankers from the parent Company Limits	<b>3,488.63</b>	3,488.63

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

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

25 Explanatory notes 1 to 24 form an integral parts of the Balance Sheet and statement of Profit & Loss and are duly authenticated.

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

As per our report of even date attached

**For NATVARLAL VEPARI & CO.**

**Chartered Accountants**

Firm Registration No. 106971W

**For & on behalf of the Board of Directors**

Nuzhat Khan

**Director**

**Director**

**Partner**

M.No. 124960

Place: Mumbai

Date: 4th May 2015

Place: Mumbai

Date: 4th May 2015



**ASHOKA HIGHWAYS (DURG) LIMITED**

**EXPLANATORY NOTES**

**TO**

**THE FINANCIAL STATEMENTS**

**FOR PERIOD ENDED**

**March 31st, 2015**

**General information**

The Ashoka Highways (Durg) Limited, the Company, is a Special Purpose Vehicle (SPV) incorporated on 15<sup>th</sup> March 2007 under the provisions of the Companies Act 1956 by Ashoka Buildcon Limited, in pursuance of the contract with National Highway Authority Limited (NHAI) to design, engineering, finance, construction, operation and maintenance of End of Durg Bypass -Chhatisgarh / Maharashtra Border Section from km 322.400 to km 405.000 of NH-6 under NHDP Phase IIIA on Build, Operate and Transfer (BOT) basis. The concession period is 20 (Twenty) Years including Construction period of 30 (Thirty) Months. The construction of the entire project has been sub-contracted to the parent company Ashoka Buildcon Limited as an EPC contractor.

**Preparation of the separate accounting schedules and explanatory notes**

The financial statements of the Company have been prepared in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and General Circular 08/2014 dated 4th April 2014 with respect to the Financial Statements. The financial statements have been prepared on an accrual basis of accounting and under the historical cost convention.

**Financial statement schedules and corporate disclosure**

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Revised Schedule VI to the Companies Act 1956. All the amounts included in the tables contained in the following notes, unless indicated otherwise, are expressed in Rupees in Lacs.

The accounting policies adopted in the preparation of the financial statements are consistent with those used in the previous year.

**Accounting Policies****1. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

**2. FIXED ASSETS AND DEPRECIATION & AMORTISATION**

- (i) Tangible assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition of its intended use. Borrowing costs relating to acquisition of fixed assets which take a substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.
- (ii) Depreciation on all assets of the Company is charged on WDV method over the useful life of assets at the rates and in the manner provided in Schedule II of the Companies Act 2013 for the proportionate period of use during the year. Depreciation on assets purchased /installed during the period is calculated on a pro-rata basis from the date of such purchase / installation.
- (iii) Intangible assets representing the concession rights in relation to toll roads to collect toll fees for the Chhatisgarh / Maharashtra Border-Wainganga Bridge Section from km 322.400 to km 405.000 of NH-6 in the State of Maharashtra under NHDP Phase IIIA. Such costs include all construction costs including sub-contract costs and other costs attributable to the said project asset including borrowing costs.

**Explanatory Notes to Financial Statements for period ended March 31st, 2015**

- (iv) Capital work in progress represents the costs incurred on project activity till completion of the project. It includes all direct material, labour and sub-contracting costs and those indirect costs related to constructions that are identifiable with or allocable to the project including borrowing costs.
- (v) Intangible assets (Toll Rights) are depreciated in accordance with the manner prescribed under Para V of Intangible assets of Schedule XIV of the Companies Act 1956.

**3. REVENUE RECOGNITION**

Toll Revenue from operation of Toll Roads is recognised on usage and recovery of the usage charge thereon.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

Profits / (losses) on sale of mutual fund units are recognised upon realisation of amount from sale of units.

**4. IMPAIRMENT**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**5. GRANTS**

The company on receipt of grant as per the concession agreement accounts the same under Shareholders funds under Reserves and Surplus, in accordance with the terms and conditions of the concession granted to the company.

The grant related to operations not forming part of equity support is credited to the Profit and Loss account on a prorata basis in the year when the same is due and receivable.

**6. TAXATION**

Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

Deferred income taxes reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**7. EARNINGS PER SHARE**

Basic and diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted number of equity shares are adjusted for events such as bonus issue, bonus element in the rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**8. INVESTMENTS**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at costs. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term.

On disposal of an investment, the difference between the carrying amount and the net disposal proceeds is charged to the statement of profit and loss.

**9. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle an obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

**10. PRELIMINARY AND SHARE ISSUE EXPENSES**

Preliminary and Share Issue Expenses is charged off to the Profit and Loss Account.

**11. RETIREMENT BENEFITS**

1. Retirement benefits in the form of Provident Fund is a defined contribution scheme. The contributions are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.
2. The Company operates only one defined benefit plan for its employees i.e. gratuity liability. The costs of providing this benefit are determined on the basis of actuarial valuation at the each year end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses of the defined benefit plan are recognised in full in the period in which they occur in the statement of profit and loss.

3. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.
4. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains and losses of the defined benefit plan are recognised in full in the period in which they occur in the statement of profit and loss and are not deferred.

12. BORROWING COST

Borrowing Cost that are attributable to the acquisition or construction of qualifying fixed assets are capitalised as part of the cost of such assets. All other borrowing costs are charged to revenue.

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

14. PROVISION FOR SCHEDULED MAINTAINENCE

The company makes provision for the periodic maintenance required to be carried out by it as an obligation under the concession agreement at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The same is reviewed at each balance sheet date and adjustments if any to the carrying amount is provided for accordingly.

15. SEGMENT REPORTING

1. Business segments have been identified on the basis of the nature of services, the risk return profile of individual business, the organizational structure and the internal reporting system of the Company.
2. The Company has been incorporated as a Special Purpose Vehicle for carrying out a single infrastructure activity of constructing, operating and maintaining a road project under Public Private Partnership scheme.
3. Further, the Company's operations are within a single geographical segment which is India.