

ANDHRA PRADESH EXPRESSWAY LIMITED

ANNUAL REPORT

2013-14

DIRECTORS' REPORT

The Shareholders
ANDHRA PRADESH EXPRESSWAY LIMITED

Your Directors have pleasure in presenting the Ninth Annual Report along with the Audited Statements of Accounts for the year ended March 31, 2014

FINANCIAL RESULTS

The financial results of the Company are as under:

(Amount in ₹)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Total Income	1,317,457,656	1,158,579,241
Total Expenses	1,245,869,132	1,401,908,841
Profit/(Loss) Before Tax	71,588,524	(243,329,600)
Provision for Tax	-	-
Profit /(Loss)After Tax	71,588,524	(243,329,600)
Balance carried forward	(1,102,843,472)	(1,102,843,472)

OPERATIONS:

Your Company continued to maintain and operate the Kotakatta Bypass – Kurnool project to quality standards in accordance with the contractual requirements. During the year under review, the Company received annuity payment of ₹113.04 Crores from National Highways Authority of India

ISSUE OF DEBENTURES:

Your Company had issued 5,300 (Five Thousand Three Hundred) Rated, Listed, Secured, Redeemable, Zero-Coupon, Non-Convertible Debentures of ₹10,00,000 (Rupees Ten Lakhs Only) each, aggregating to ₹ 530,00,00,000/- (Rupees Five Hundred and Thirty Crores Only) on a Private Placement basis on November 8, 2012. Out of the aforementioned Debentures the Company had redeemed 538 debentures were redeemed during the year under review

DIVIDEND:

Due to inadequacy of profits, your Directors have not recommended any dividend for the year under review

DIRECTORS:

Mr. George Cherian, Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offer himself for re-appointment. Your Directors recommend his re-appointment

AUDITORS:

M/s Gianender & Associates, Chartered Accountants, Statutory Auditors, retire at the ensuing Annual General Meeting of the Company

DEPOSITS:

Your Company has not accepted any Fixed Deposits during the year under review

CORPORATE GOVERNANCE:

Four Board Meetings were held during the year under review on April 18, 2013, July 18, 2013, October 18, 2013 and January 21, 2014. The numbers of meetings attended by the Directors are as under:

Sr. No.	Name of Directors	No. of Board Meetings held during tenure	Meetings attended
1	Mr. Pradeep Puri	4	3
2	Mr. Mukund Sapre	4	3
3	Mr Avinash Bagul	4	4
4	Mr. Manu Kochhar	4	4
5	Mr. George Cherian	4	4

The Audit Committee was constituted pursuant to the provisions of the Section 292A of the Companies Act, 1956. The Audit Committee is comprised of Mr. Pradeep Puri, Mr. Mukund Sapre and Mr. George Cherian. The Audit Committee met four times during the year under review on April 18, 2013, July 18, 2013, October 18, 2013 and January 21, 2014. The numbers of meetings attended by the Members are as under:

Sr. No.	Name of Directors	No. of Board Meetings held during tenure	Meetings attended
1	Mr. Pradeep Puri	4	3
2	Mr. Mukund Sapre	4	4
3	Mr. George Cherian	4	4

The Chairman of the Audit Committee was present at the AGM

PARTICULARS OF EMPLOYEES:

There were no employees in respect of whom the information is required to be provided pursuant to Section 217(2A) of the Companies Act, 1956

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 (“the Act”) the Directors based on the representations received from the Operating Management, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) they have 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 Loss of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis

FOREIGN EXCHANGE EARNINGS AND OUTGO:

There was no earning or outgoing of foreign exchange during the year under review

Since your Company does not have any manufacturing facility, the other particulars in the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable and hence not provided

ACKNOWLEDGMENTS:

The Directors place on record their appreciation for the support and co-operation received from various Government Authorities including National Highway Authority of India and other Regulatory Authorities, Banks, Financial Institutions and Shareholders of the Company

For and on behalf of the Board

Mumbai, April 23, 2014

Sd/-
Director

Sd/-
Director

INDEPENDENT AUDITORS' REPORT

**TO,
THE MEMBERS OF
ANDHRA PRADESH EXPRESSWAY LIMITED,**

Report on the Financial Statements

1. We have audited the accompanying financial statements of **ANDHRA PRADESH EXPRESSWAY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by section 227(3) of the Companies Act 1956, we report that:
- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement complies with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2014, from being appointed as a director in terms of paragraph (g) of sub-section (1) of section 274 of the Companies Act, 1956.
8. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, and according to the



information and explanations given to us, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the company.

For Gianender & Associates
Chartered Accountants
ICAI Firm Regn No. 004661N


Ramesh Koul
Partner
M No.077804



Place : New Delhi.

Date : 23/4/14

**ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARA 8 OF OUR
REPORT UNDER THE HEADING "REPORT ON OTHER LEGAL AND
REGULATORY REQUIREMENTS" OF EVEN DATE OF ANDHRA PRADESH
EXRESSWAY LIMITED FOR THE YEAR ENDED ON MARCH 31, 2014**

- (i)
- a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) We are informed that the management of the Company has physically verified fixed assets during the period under report and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of the fixed asset is reasonable.
 - c) The Company has not disposed of any of its fixed assets and therefore the going concern assumption is appropriate.
- (ii) The Company is engaged in the business of infrastructure development & its maintenance and has no inventories during the period under report, therefore there is nothing to report under clauses 4(ii) (a), (b) & (c) of the Companies (Auditor's Report) Order 2003 does not arise.
- (iii) According to the information and explanations given to us, the company has neither granted nor taken any loans to / from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 hence reporting under the clause (iii) (a) to (g) of the order is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures, commensurate with the size of the company and nature of its business with regard to purchase of fixed assets and for the construction work. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
- (v)
- a. In our opinion and according to the information and explanations given to us, The particulars of contracts that need to be entered into the register in pursuance of section 301 of the Companies Act, 1956 have been so entered where ever applicable.
 - b. In our opinion, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.



- (vi) According to the information and explanations given to us, the company has not accepted deposits from the public within the meaning of the provisions of section 58 A, 58 AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to information and explanation given to us, Central Government has prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956. Based on certificate of cost accountant, we are of the opinion that the Company has maintained the cost records. However, we are not required to make a detailed examination of the same.
- (ix) (a) According to the information & explanation given to us and according to the records, the company is generally regular in depositing undisputed statutory dues with appropriate authorities to the extent applicable to the Company including sales tax, value added tax and tax deducted at source.
- (b) According to the information and explanations given to us, as at 31st March, 2014, no undisputed statutory dues were outstanding for a period more than six months from the date they become payable.
- (c) According to the information and explanation given to us, there are no dues of income-tax, wealth-tax, sales tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth. The Company has not incurred cash losses during the financial year and also in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to the banks and financial institutions.
- (xii) According to the information and explanation given to us, the Company has not granted any loans or advances against pledge of shares, debentures or other securities.
- (xiii) In our opinion, the Company is not a Chit fund company or Nidhi / Mutual Benefit Fund / Society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.



- (xiv) In our opinion and according to the information and explanation given to us, the Company is not dealing in shares, securities, debentures and other investments.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion and according to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, the term loans availed have prima facie been applied for the purpose for which they were raised.
- (xvii) According to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis which is used for long term investments.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year on the terms and conditions which are prejudicial to the interest of the Company.
- (xix) Securities were created in respect of rated, listed, redeemable non convertible debentures issued by the Company.
- (xx) The Company has not raised any money by public issues during the period covered by our report.
- (xxi) During the course of our examination of the books and records of the Company, carried in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the period under audit, nor have been informed of such case by management.

For Gianender & Associates
Chartered Accountants
ICAI Firm Regn No. 004661N



Ramesh Koul
Partner
ICAI M No.077804

Place : New Delhi

Date : 22/4/14

ANDHRA PRADESH EXPRESSWAY LIMITED
Balance Sheet As At March 31, 2014

Particulars	Note	As At March 31, 2014		As At March 31, 2013	
I EQUITY AND LIABILITIES					
1 SHAREHOLDERS' FUNDS					
(a) Share capital	2	2,53,70,00,600		2,53,70,00,600	
(b) Reserves and surplus	3	(1,03,12,54,948)	1,50,57,45,652	(1,10,28,43,472)	1,43,41,57,128
2 NON-CURRENT LIABILITIES					
(a) Long-term borrowings	4	5,31,32,85,697		5,88,54,00,000	
(b) Other long term liabilities	5	51,24,20,130	5,82,57,05,827	2,08,19,843	5,90,62,19,843
3 CURRENT LIABILITIES					
(a) Current maturities of long-term debt	6	57,21,14,304		53,80,00,000	
(b) Other current liabilities	7	20,45,36,616	77,66,50,920	27,69,64,421	81,49,64,421
TOTAL			8,10,81,02,399		8,15,53,41,392
II ASSETS					
1 NON CURRENT ASSETS					
(a) Fixed assets	8				
(i) Tangible assets		5,47,11,92,671		5,96,84,87,819	
(b) Long-term loans and advances	9	1,13,92,04,079		1,12,46,84,515	
(c) Other non-current assets	10	4,47,13,372	6,65,51,10,122	4,95,74,684	7,14,27,47,018
2 CURRENT ASSETS					
(a) Trade receivables	11	1,00,00,000		1,17,00,000	
(b) Cash and Bank Balances	12	1,32,08,72,489		90,16,19,203	
(c) Short-term loans and advances	13	4,76,96,848		3,52,70,696	
(d) Other current assets	14	7,44,22,940	1,45,29,92,277	6,40,04,475	1,01,25,94,374
TOTAL			8,10,81,02,399		8,15,53,41,392

Notes 1 to 31 form part of the financial statements.

In terms of our report of even date attached

For Gianender & Associates
Chartered Accountants
Firm Registration No. 004661N

Ramesh Koul
Partner
Membership Number : 077804
Place: New Delhi
Date: April 23, 2014



For and on behalf of the Board

Director **Director**

Anwayakade
Company Secretary

ANDHRA PRADESH EXPRESSWAY LIMITED

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

		₹		
	Particulars	Note	For the year ended March 31, 2014	For the year ended March 31, 2013
I	Revenue from operations	16	1,12,87,00,000	1,13,04,00,000
II	Other income	17	18,87,57,656	2,81,79,241
III	Total revenue (I + II)		1,31,74,57,656	1,15,85,79,241
IV	Expenses			
	Operating expenses	18	7,14,38,358	9,92,00,899
	Finance costs	19	66,49,66,605	74,69,63,382
	Other expenses (Administrative and general expenses)	20	1,21,69,021	3,63,63,293
	Depreciation and amortization expense	8	49,72,95,148	51,93,81,266
	Total expenses		1,24,58,69,132	1,40,19,08,841
V	Profit / (Loss) before taxation (IV-III)		7,15,88,524	(24,33,29,600)
VI	Tax expense:			
	(1) Current tax		1,44,00,000	-
	(2) Deferred tax		-	-
	(3) MAT Credit Entitlement		(1,44,00,000)	-
	Total tax expenses (VI)		-	-
VII	Profit / (Loss) for the year (V-VI)		7,15,88,524	(24,33,29,600)
	Earnings per equity share (Face value per share Rupees 10/-):	22		
	(1) Basic		2.12	(7.22)
	(2) Diluted		2.12	(7.22)

Notes 1 to 31 form part of the financial statements.

In terms of our report of even date attached

For Gianender & Associates
Chartered Accountants
Firm Registration No. 004661N

Ramesh Koul

Partner

Membership Number : 077804

Place: New Delhi

Date: April 23, 2014



For and on behalf of the Board

[Signature]
Director

[Signature]
Director

[Signature]
Company Secretary

ANDHRA PRADESH EXPRESSWAY LIMITED

Cash Flow Statement for the year ended March 31, 2014

	As at 31-Mar-14	As at 31-Mar-13
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxes	7,15,88,524	(24,33,29,600)
Adjustments for :-		
Depreciation	49,72,95,148	51,93,81,266
Interest Expenses	66,49,66,605	74,69,63,382
Other Income	(1,67,408)	(17,75,907)
Interest on Loan Given	(12,89,44,676)	-
Interest on Fixed Deposits	(5,96,45,572)	(2,47,41,221)
Operating profit before Working Capital Changes	1,04,50,92,621	99,64,97,921
Adjustments changes in working capital:		
Decrease/ (Increase) in other current, Other Non-Current assets & Trade Receivables	(4,49,02,868)	(5,31,30,788)
(Decrease)/ Increase in Other Current, Other Non-Current Liabilities & Trade Payables	41,91,72,482	49,96,67,568
Cash Generated from Operating Activities	1,41,93,62,235	1,44,30,34,700
Payment of Taxes	1,41,00,000	-
	1,43,34,62,235	1,44,30,34,700
NET CASH GENERATED/ (USED) IN OPERATING ACTIVITIES	1,43,34,62,235	1,44,30,34,700
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Payment for Purchase of Fixed Assets	-	(16,65,048)
Proceeds from Sale of Fixed Assets	-	94,276
Interest on Fixed Deposits / Misc. Income	5,98,12,980	2,65,17,128
NET CASH (USED IN)/ GENERATED FROM INVESTING ACTIVITIES	5,98,12,980	2,49,46,356
(C) CASH FROM FINANCING ACTIVITIES		
Receipt of Rated, Listed, Redeemable Non Convertible debentures	(53,80,00,000)	5,30,00,00,000
Short term loan Given	-	(1,12,34,00,000)
Issue of Non Convertible Non cumulative Redeemable Preference Shares	-	2,20,00,00,000
Repayment of Long term Borrowings	-	(4,98,04,00,000)
Repayment of Short term borrowings	-	(1,22,56,00,000)
Interest on Loan Given	12,89,44,676	-
Interest Expenses	(66,49,66,605)	(74,69,63,382)
NET CASH GENERATED FROM FINANCING ACTIVITIES	(1,07,40,21,929)	(57,63,63,382)
(D) Net Increase/ (Decrease) in Cash and Cash Equivalents	41,92,53,286	89,16,17,674
Cash and Cash Equivalent at the beginning of the year	90,16,19,203	1,00,01,529
Cash and Cash Equivalent at the end of the year	1,32,08,72,489	90,16,19,203
Net Increase / (Decrease) in Cash & Cash Equivalents	41,92,53,286	89,16,17,674
Notes:		
Components of Cash & Cash Equivalent		
Cash on Hand	7,660	40,658
Cheques on Hand	-	-
Balance with Scheduled Banks - Current Accounts	1,32,08,64,829	90,15,78,545
Balance with Scheduled Banks in term deposits (maturity less than 3 months)	-	-
	1,32,08,72,489	90,16,19,203
Fixed deposits placed for periods exceeding 3 months	-	-
Cash and Cash Equivalents as per Balance Sheet	1,32,08,72,489	90,16,19,203

In terms of our report of even date attached

For Gianender & Associates
Chartered Accountants
Firm Registration No. 004661N

Ramesh Koul
Partner
Membership Number : 077804
Place: New Delhi
Date: April 23, 2014



For and on behalf of the Board

Director

Director

Anwayakade
Company Secretary

ANDHRA PRADESH EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

I Nature of Operation

The Company has been set up to design, construct, develop, finance, operate and maintain the Kurnool-Kotakatta Bypass Road Project under the BOT Annuity basis. The Concession Agreement entered into between the Company and National Highways Authority of India on March 20, 2006, conferred the right to implement the project and recover the project cost and operating cost including returns over 20 years from the appointed date.

II Basis of Accounting

The Financial Statements have been prepared under the historical cost convention and comply with the Accounting Standards prescribed as referred to in Section 211 (3C) of the Companies Act, 1956. The Company follows the mercantile system of accounting.

III Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the Management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosures of an item or information in the financial statements have been made relying on these estimates to a greater extent.

IV Revenue recognition

Expenditure on the Project incurred upto project completion date in terms of the Concession Agreement has been capitalized. Revenue earned, thereafter, has been accounted for on accrual basis.

V Depreciation & Amortisation

a) The Company has adopted the Straight Line Method of depreciation so as to write off 100% of the cost of the following type of assets at rates higher than those prescribed under Schedule XIV to the Companies Act 1956, based on the Managements estimate of useful life of such assets:

Asset Type	Useful Life
Data Processing Equipments	4 years
Specialised Office Equipment	3 years
Assets Provided to Employees	3 Years
Licensed Software	Over the License period

b) Depreciation on fixed assets other than on assets specified in Policy V(a) is provided on the Written Down Value method using the rates prescribed by Schedule XIV to the Companies Act, 1956.

Depreciation is computed pro-rata from the date of acquisition of and upto the date of disposal.

All assets costing less than Rs 5,000 each, mobile phones and items of soft furnishing are fully depreciated in the year of purchase.

c) Depreciation on the components of the Kurnool- Kotakatta Bypass Road, is charged to the profit & loss account on a straight line basis over the period over which the respective component is expected to be overlay or renewed (5 years). Depreciation on the remaining cost of the annuity rights is provided from the commencement of commercial operation over the remaining concession period ending on September 14, 2026.

VI Accounting for Taxes on Income

Tax on income for current year is determined on the basis of taxable income and tax credit computed in accordance with the provision of IT Act 1961.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted to or substantially enacted as on the balance sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.



ANDHRA PRADESH EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

VII Provisions and Contingent Liabilities

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires outflow of resources, which can be reliably estimated. Disclosures for a contingent liability is made, without a provision in books, when there is an obligation that may, but probably will not, require outflow of resources.

VIII Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profits before tax is adjusted for the effect of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating; investing and financing activities are segregated.

IX Impairment of Assets

The carrying values of assets of the Company's cash-generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

X Borrowing Cost

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets, till such time as the assets is ready for its intended use or sale. A qualifying asset is an assets that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as expenses in the period in which they are incurred.

XI Insurance

Insurance claims are accounted for as and when received.

XII Current/Non-Current Assets and Liabilities

Assets are classified as current when it satisfies any of following criteria:

- It is expected to be realized within 12 months after the reporting date,
- It is held for trading purpose

All other assets are classified as Non-current

Liabilities are classified as current when it satisfies any of following criteria:

- It is expected to be settled within 12 months after the reporting date,
- It is held for trading purpose

All other liabilities are classified as Non-current.

XIII Earnings per Share

Basic Earnings per share is calculated by dividing the net profit / (loss) after tax for the period attributable to equity shareholders of the Company by the weighted average number of equity in issue during the period.

Diluted earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Group by the weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.



ANDHRA PRADESH EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 2: Share capital

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	₹	Number	₹
Authorised				
Equity Shares of Rupees 10/- each	5,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000
Non convertible Non cumulative Redeemable Preference Share of Rs. 10/- each	25,00,00,000	2,50,00,00,000	25,00,00,000	2,50,00,00,000
Issued				
Equity Shares of Rupees 10/- each	3,37,00,060	33,70,00,600	3,37,00,060	33,70,00,600
Non convertible Non cumulative Redeemable Preference Share of Rs. 10/- each	22,00,00,000	2,20,00,00,000	22,00,00,000	2,20,00,00,000
Subscribed and Paid up				
Equity Shares of Rupees 10/- each fully paid	3,37,00,060	33,70,00,600	3,37,00,060	33,70,00,600
Non convertible Non cumulative Redeemable Preference Share of Rs. 10/- each	22,00,00,000	2,20,00,00,000	22,00,00,000	2,20,00,00,000
Total	25,37,00,060	2,53,70,00,600	25,37,00,060	2,53,70,00,600

Foot Notes:

i) Equity Shares:

Of the issued, subscribed and paid up capital of 33,700,060 equity shares, IL&FS Trust Company Limited C/o ITNL Road Investment Trust ("IRIT"), the Holding company holds 2,49,38,000, Infrastructure Leasing & Financial Services Limited ("IL&FS") holds 44,68,620 and IL&FS Transportation Networks Limited ("ITNL") and its nominees, holds 42,93,440 equity shares in the Company.

ii) Preference Shares:

(1) Instruments : Non-Convertible, Non-Cumulative, Redeemable Preference Shares

(2) Coupon : 1% per annum payable yearly

(3) Security : Unsecured

(4) Right to Dividend : ITNL shall have the right to receive minimum dividend of 1% per annum on Preference Shares in priority to any payment to the holders of Equity Shares.

(5) Tenor : 14 years from the Allotment Date

(6) Redemption : The Preference Shares can be redeemed by IL&FS Transportation Networks Limited (ITNL) at end of the Tenor. The redemption amounts payable will be equal to the aggregate of the face value of the Preference Shares alongwith premium amount calculated at the rate of 15% per annum on the face value.

iii. The Company has only two class of shares, Equity and Preference Shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The holders of preference shares shall not be entitled to any voting rights in the event of non-payment of dividend in any year(s). The company declares and pays dividends in Indian rupees. The dividend, if any proposed, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

iv. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2014		As at March 31, 2013	
	Equity Shares		Equity Shares	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year	3,37,00,060	33,70,00,600	3,37,00,060	33,70,00,600
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,37,00,060	33,70,00,600	3,37,00,060	33,70,00,600

Particulars	As at March 31, 2014		As at March 31, 2013	
	Preference Shares		Preference Shares	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year	22,00,00,000	2,20,00,00,000	-	-
Shares issued during the year	-	-	22,00,00,000	2,20,00,00,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	22,00,00,000	2,20,00,00,000	22,00,00,000	2,20,00,00,000



ANDHRA PRADESH EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

v. Shareholding more than 5% for equity shares

Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
Infrastructure Leasing & Financial Services Ltd. (ultimate holding company)	44,68,620	13.26%	1,71,87,000	51%
IL&FS Trust Company Ltd C/o ITNL Road Investment Trust (Entity having control)	2,49,38,000	74.00%	-	0%
IL&FS Transportation Networks Limited & it's Nominees (Immediate holding company)	42,93,440	12.74%	1,65,13,060	49%
Total	3,37,00,060	100.00%	3,37,00,060	100%

vi. Shareholding more than 5% for preference shares

Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited	22,00,00,000	100%	22,00,00,000	100%
Total	22,00,00,000	100%	22,00,00,000	100%



ANDHRA PRADESH EXPRESSWAY LIMITED**Notes** forming part of the Financial Statements for the year ended March 31, 2014**Note 3: Reserves and surplus**

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Debenture Redemption Reserve				
Opening balance	-	-	-	-
(+) Transferred from the Surplus in Statement in Profit and Loss	7,15,88,524	7,15,88,524	-	-
(b) Profit / (Loss) Surplus				
Opening balance	(1,10,28,43,472)	(1,10,28,43,472)	(85,95,13,873)	(1,10,28,43,472)
(+) Profit for the current year	7,15,88,524		(24,33,29,600)	
(-) Transfer to debenture redemption reserve	(7,15,88,524)	(1,10,28,43,472)	-	
Total		(1,03,12,54,948)		(1,10,28,43,472)



ANDHRA PRADESH EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 4: Long-term borrowings

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Debentures				
(i) Rated, Listed, Redeemable Non Convertible debentures (refer foot note i & ii)		4,18,98,85,697		4,76,20,00,000
(b) Term Loans				
(i) Unsecured				
From others		1,12,34,00,000		1,12,34,00,000
Total		5,31,32,85,697		5,88,54,00,000

Foot Notes:

(i) **Rated, Listed, Redeemable Non Convertible Debentures comprises of 6 series from B to G will be secured against:**

" First and exclusive charge on all the following assets of the Company in favour of the Debenture Trustee, acting for the benefit of the Company:

- immovable property of the Company;
 - all tangible movable assets;
 - the Escrow Account and its Sub-Accounts, monies standing to their credit and permitted investments;
 - all receivables (including annuity receivables from NHAI)
 - rights of the Company under the Project Documents (other than the Concession Agreement)
- " Rights under the Substitution Agreement.

All security shall be created to the satisfaction of the Debenture Trustee within 90 days from the Deemed Date of Allotment. Minimum security and asset cover of 100%.

(ii) **Repayment Schedule of Rated, Listed, Redeemable Non Convertible Debentures:**

Redemption Date	Series of Debentures Redeemed	No of Debenture / Bonds	Value at Issue Date (Rs.)
15-Apr-14			-
15-Oct-14	Series B		-
15-Apr-15			38,48,85,695
15-Oct-15			2,74,36,376
15-Apr-16	Series C	1,147	35,17,65,797
15-Oct-16			37,46,68,811
15-Apr-17			39,31,29,016
15-Oct-17			-
15-Apr-18	Series D	711	33,86,10,713
15-Oct-18			37,23,89,287
15-Apr-19			-
15-Oct-19			-
15-Apr-20			-
15-Oct-20	Series E	1,380	5,47,23,918
15-Apr-21			31,57,22,586
15-Oct-21			32,24,76,049
15-Apr-22			33,79,18,680
15-Oct-22			34,91,58,768
15-Apr-23			-
15-Oct-23	Series F	461	-
15-Apr-24			12,58,41,730
15-Oct-24			33,51,58,270
15-Apr-25			-
15-Oct-25	Series G	106	10,60,00,000
Total			4,18,98,85,695

(iii) **Bank Loan Secured by hypothecation of:**

(I) All tangible and intangible moveable assets both present and future except project assets and all right, title, interest, property, claims and demands whatsoever unto and upon the same.

(ii) All right, title, interest, benefits, claims and demands whatsoever in respect of all moneys including Fees (toll collections), insurance proceeds under Insurance Contracts, Termination payments and investments lying to the credit of or liable to be credited to their Escrow account and other accounts including balances in Debt Service Reserve together with interest thereon.

(iii) All rights, title and interest pursuant to and in accordance with the Substitution Agreement providing for step in rights of the lenders in accordance with the Concession Agreement).



ANDHRA PRADESH EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 5: Other long term liabilities

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Interest accrued but not due on borrowings		51,24,20,130		2,08,19,843
Total		51,24,20,130		2,08,19,843

Note 6: Current maturities of long-term debt

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Non-Convertible Debentures (Refer Footnote)		57,21,14,304		53,80,00,000
Total		57,21,14,304		53,80,00,000

Footnote:

(i) Repayment Schedule of Rated, Listed, Redeemable Non Convertible Debentures:

Redemption Date	Series of Debentures Redeemed	No of Debenture / Bonds	Value at Issue Date (Rs.)
15-Apr-14			20,52,98,802
15-Oct-14	Series B	957	36,68,15,502

Note 7: Other current liabilities

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Interest accrued but not due on borrowings	18,11,85,700		18,79,32,571	
(b) Other liabilities				
Statutory Liabilities	8,39,602		10,64,688	
Others - Retention of KMC	-		5,00,00,000	
Other Expense payable - Related	2,18,03,363		3,71,42,266	
Other Expense payable	7,07,951	20,45,36,616	8,24,896	27,69,64,421
Total		20,45,36,616		27,69,64,421



ANDHRA PRADESH EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 8: Fixed assets

Particulars	Gross block				Accumulated depreciation		Net block	
	Balance as at 1-Apr-2013	Additions	Disposals	Balance as at 31-Mar-2014	Depreciation charge for the year	On disposals	Balance as at 31-Mar-2014	Balance as at 31-Mar-2013
a) Tangible assets								
Land - Freehold	1,89,330	-	-	1,89,330	-	-	1,89,330	1,89,330
Roads	7,87,69,36,146	-	-	7,87,69,36,146	49,67,86,689	-	5,46,91,98,919	5,96,59,85,608
Vehicles	21,76,263	-	-	21,76,263	3,72,757	-	10,67,021	14,39,778
Data processing equipments	7,32,173	-	-	7,32,173	-	-	7,32,173	-
Office equipments	9,14,259	-	-	9,14,259	73,988	-	4,56,272	5,31,975
Furniture and fixtures	9,19,528	-	-	9,19,528	61,714	-	2,79,414	3,41,128
Grand total	7,88,18,67,699	-	-	7,88,18,67,699	49,72,95,148	-	5,47,11,92,671	5,96,84,87,819
Previous Year 31-Mar-2013	8,71,40,22,057	16,65,048	83,38,19,406	7,88,18,67,699	51,93,81,266	3,71,123	5,96,84,87,819	-

Foot Note:

Road represents the project asset under concession agreement signed between M/s Andhra Pradesh Expressway Limited and NHAI on March 20, 2006 for construction of Kurmool- Kotakatta Bypass Road. The company has been set up to design, construct, develop, finance, operate and maintain the Kurmool-Kotakatta Bypass Road project under BOT annuity basis. The above said project shall be handed over to NHAI at the end of concession period in accordance with clause 33.1 of concession agreement



ANDHRA PRADESH EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 9: Long-term loans and advances

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Security Deposits Unsecured, considered good		14,04,079		12,84,515
(b) Loans and advances to related parties Unsecured, considered good - Long term loans		1,12,34,00,000		1,12,34,00,000
(c) MAT Credit Entitlement		1,44,00,000		
Total		1,13,92,04,079		1,12,46,84,515

Note 10: Other Non current assets

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Unamortised debenture issue expenses		4,47,13,372		4,95,74,684
Total		4,47,13,372		4,95,74,684

Note 11: Trade receivables

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Trade receivables outstanding for a period exceeding six months from the date they are due Unsecured, considered good	1,00,00,000		1,00,00,000	
(b) Trade receivables outstanding for a period less than six months from the date they are due Unsecured, considered good		1,00,00,000	17,00,000	1,17,00,000
Total		1,00,00,000		1,17,00,000

Footnote:

(A) There were no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the end of the year with the interest paid / payable as required under the said Act have not been given.



ANDHRA PRADESH EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 12: Cash and Bank Balances

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Cash and cash equivalents				
Cash on hand	7,660		40,658	
Balances with banks in current accounts	1,32,08,64,829		90,15,78,545	
Bank deposit with less than 3 months original maturity	-	1,32,08,72,489	-	90,16,19,203
(b) Other bank balances				
Bank deposit with more than 3 months original maturity	-	-	-	-
Total		1,32,08,72,489		90,16,19,203

Note 13: Short-term loans and advances

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Other loans and advances				
Unsecured, considered good				
- Advance payment of taxes (net of provision)		3,85,40,315		2,86,37,119
- Short term loans - others		10,00,000		-
(b) Prepaid expenses		81,56,533		66,33,577
Total		4,76,96,848		3,52,70,696

Note 14: Other current assets

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Annuity income accrue but not due	4,96,87,912		4,87,04,955	
(b) Interest accrue but not due	1,09,71,289		14,95,902	
(c) Debenture issue expenses - unamortised	38,99,733		29,38,155	
(d) Others				
NHAI - Withheld for Other work & on account of WCT	98,64,006		1,08,46,963	
Accrual of Interest on Security deposit with Electricity Board	-	7,44,22,940	18,500	6,40,04,475
Total		7,44,22,940		6,40,04,475



ANDHRA PRADESH EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 15: Contingent liabilities and capital commitments

A) Contingent liabilities :

₹

Particulars (Name & description)		As at March 31, 2014	As at March 31, 2013
1	Claims against the company not acknowledged as debt (Income tax demands contested by the company and other income tax matters)	5,14,07,660	-

B) Estimated amount of contracts remaining to be executed on capital :

₹

Particulars (Name of party & description)		As at March 31, 2014	As at March 31, 2013
1	Periodic overlay Activities	1,88,25,00,000	1,88,25,00,000



ANDHRA PRADESH EXPRESSWAY LIMITED**Notes** forming part of the Financial Statements for the year ended March 31, 2014**Note 16: Revenue from operations**

₹

Particulars	For the year ended March 31, 2014		For the year ended March 31, 2013	
(a) Income from services Annuity Income		1,12,87,00,000		1,13,04,00,000
		1,12,87,00,000		1,13,04,00,000

Note 17: Other income

₹

Particulars	For the year ended March 31, 2014		For the year ended March 31, 2013	
(a) Interest Income Interest on bank deposits	5,96,45,572		2,47,41,221	
(b) Interest on Loan Given	12,89,44,676		16,62,113	
(c) Miscellaneous income	1,67,408	18,87,57,656	17,75,907	2,81,79,241
		18,87,57,656		2,81,79,241



ANDHRA PRADESH EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 18: Operating expenses

Particulars	For the year ended March 31, 2014		For the year ended March 31, 2013	
Operation and maintenance expenses		7,14,38,358		9,92,00,899
		7,14,38,358		9,92,00,899

Note 19: Finance costs

Particulars	For the year ended March 31, 2014		For the year ended March 31, 2013	
(a) Interest expenses				
Interest on loans	12,91,91,005		50,87,32,095	
Interest on debentures	52,42,78,073	65,34,69,078	23,25,59,866	74,12,91,961
(b) Other borrowing costs				
Amortisation of Borrowing Cost	38,99,734		14,95,640	
Guarantee commission	67,53,282		34,81,621	
Finance charges	8,44,511	1,14,97,527	6,94,160	56,71,421
		66,49,66,605		74,69,63,382

Note 20: Other expenses (Administrative and general expenses)

Particulars	For the year ended March 31, 2014		For the year ended March 31, 2013	
Legal and consultation fees	74,95,384		1,13,13,339	
Business Promotion Expenses	52,128		52,500	
Travelling and conveyance	1,26,018		9,24,634	
Rent	17,13,027		-	
Rates and taxes	8,475		1,94,28,394	
Repairs and maintenance	11,17,953		25,75,595	
Communication expenses	63,192		1,05,070	
Insurance	43,253		16,773	
Vehicle Running Expenses	3,54,782		3,97,741	
Bank Charges	18,384		4,887	
Printing and stationery	60,638		2,383	
Advertising Expenses	43,313		-	
Directors' & Audit Committee fees	1,53,652		1,25,000	
Auditor's Remuneration (refer footnote)	8,48,880		8,90,421	
Miscellaneous expenses	69,942	1,21,69,021	5,26,556	3,63,63,293
		1,21,69,021		3,63,63,293

Footnote:

Disclose the amount paid/Payable to Auditors :

Particulars (Name of party & description)	As at March 31,	
	2014	2013
1 Audit Fees	2,24,720	3,11,050
2 Audit Fees - Others Services	6,01,126	4,95,101
3 Audit Fees - Tax Audit	-	84,270
4 Audit Fees - Reimbursement Expenses	23,034	-
Total	8,48,880	8,90,421



ANDHRA PRADESH EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 21: Related Party Statement

Nature of Relationship	Name of Entity	Acronym used
Ultimate Holding Company:	Infrastructure Leasing & Financial Services Ltd.	IL&FS
Entity having Control:	IL&FS Trust Company Limited C/o ITNL Road Investments Trust (IRIT)	IRIT
Immediate Holding Company:	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries:	IL&FS Trust Company Limited	ITCL
	IL&FS Securities Services Limited	ISSL
	Charminar Robopark Limited	CRL
Key Management personnel :	Mr. P M Reddy - Manager	

2. Details of balances and transactions during the year with related parties

Account head	Name of Entity	31-Mar-14	31-Mar-13
Balances:			
Share Capital	IL&FS Transportation Networks Limited	4,29,34,400	16,51,30,000
Preference Shares	IL&FS Transportation Networks Limited	2,20,00,00,000	2,20,00,00,000
Sundry Creditors	IL&FS Transportation Networks Limited	1,19,28,215	3,71,42,266
Share Capital	IL&FS Trust Company Limited C/o ITNL Road Investments Trust (IRIT)	24,93,80,000	-
Share Capital	Infrastructure Leasing & Financial Services Ltd.	4,46,86,200	17,18,70,000
Sub Debts	Infrastructure Leasing & Financial Services Ltd.	1,12,34,00,000	1,12,34,00,000
Short Term Loan Given	Infrastructure Leasing & Financial Services Ltd.	1,12,34,00,000	1,12,34,00,000
Other Current Asset/ Interest receivable	Infrastructure Leasing & Financial Services Ltd.	1,09,71,289	14,95,902
Sundry Creditors- Interest Payable	Infrastructure Leasing & Financial Services Ltd.	98,75,148	-
Sundry Debtor	Charminar Robopark Limited	-	1,01,574
Account head			
Transactions:			
Debenture Interest	IL&FS Transportation Networks Limited	-	2,38,07,452
Interest on Short Term Loan	IL&FS Transportation Networks Limited	-	5,75,76,593
Interest on Sub Debt	IL&FS Transportation Networks Limited	-	4,31,04,080
Operation & Maintenance Fees	IL&FS Transportation Networks Limited	7,14,38,358	9,92,00,899
Preference Shares	IL&FS Transportation Networks Limited	-	2,20,00,00,000
Guarantee Commission	IL&FS Transportation Networks Limited	67,53,282	1,01,12,400
Share Capital	IL&FS Trust Company Limited C/o ITNL Road Investments Trust (IRIT)	24,93,80,000	-
Interest on Sub Debt	Infrastructure Leasing & Financial Services Ltd.	12,91,91,005	12,91,91,000
Interest Received	Infrastructure Leasing & Financial Services Ltd.	12,89,44,676	16,62,113
Professional Fees	IL&FS Securities Services Limited	22,972	22,972
Director's Sitting Fees	Mukund Sapre	40,000	40,000
Director's Sitting Fees	Avinash Bagul	20,000	25,000
Director's Sitting Fees	Cherian George	40,000	40,000
Director's Sitting Fees	Pradeep Puri	30,000	5,000
Security Trustee Fees	IL&FS Trust Company Limited	-	1,12,360

Footnote:

(1) Reimbursement of cost is not included above.

(2) Only those fellow subsidiaries are disclosed above with whom there have been transactions during the year.

(3) No deputation charges have been claimed by the holding company. Therefore, the computation of net profit in accordance with section 349 of the Companies Act 1956, in respect of remuneration payable to managerial personnel has not been furnished.



ANDHRA PRADESH EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 22: Earnings per share

Particulars	Unit	For the year ended March 31, 2014	For the year ended March 31, 2013
Profit after tax	₹	7,15,88,524	(24,33,29,600)
Profit available for Equity Shareholders	₹	7,15,88,524	(24,33,29,600)
Weighted number of Equity Shares outstanding	Numbers	3,37,00,060	3,37,00,060
Nominal Value of equity shares	₹	10	10
Basic Earnings per share	₹	2.12	(7.22)
Equity shares used to compute diluted earnings per share	Numbers	3,37,00,060	3,37,00,060
Diluted Earnings per share	₹	2.12	(7.22)

Note 23: Employees:

There is no employee on the pay roll of the company. Therefore there is nothing to report under AS-15.

Note 24: Director's Remuneration

The Directors have been paid sitting fees for the Board and Committee meetings attended by them.

Note 25: Provision for Deferred Taxation:

The Company does not have taxable income and hence no provision for current tax has been made. The Company is eligible for deduction under Section 80- IA of the Income Tax Act, 1961 and the concession period of the Company's project falls within the tax holiday period as defined in Section 80-IA. Since deferred tax on timing differences between Accounting income and Taxable income that arise during the year is reversing during such tax holiday period, no deferred tax asset or liability arises and accordingly no provision is made in the accounts.

Note 26: Inventory

The Company does not have transactions to which the provisions of AS 2 - Valuation of Inventories apply.

Note 27:

Certain portion of the project road is yet to be made available to the company by NHAI for project related works. As and when such portion of road will be made available to the company, related cost will be incurred and accounted for.

Note 28:

Company has issued Rated, Listed, Secured, Redeemable Non-convertible Debentures comprises of 7 series of Debenture from A to G amounting to Rs 530 Crs carrying a coupon rate of 10%. The Company has utilised the proceeds of the issue for:

- repayment in full of the outstanding Existing Senior Lenders.

The Debentures will be secured by the assets of the Company in a manner consistent with the Concession Agreement. Such assets shall include immovable properties, tangible movable assets, receivables (including the Annuities), bank accounts and investments, and rights under the Project Documents except project assets. Further, the Debenture Trustee will be beneficiary in all the insurance policies of the Company. A Substitution Agreement will also be entered into between the NHAI, the Company and the Debenture Trustee pursuant to the terms of the Concession Agreement, whereby the Debenture Trustee will obtain the right to substitute the Company as the Concessionaire under the Concession Agreement in certain circumstances.

Note 29:

Expenditure related to the Debenture issue will be amortised over the tenure of the debentures.

Note 30: Segment Reporting

The Company is a special purpose vehicle and is engaged in the business of construction and maintenance of toll road on annuity basis and thus operates in a single business and geographical segment. As a result, disclosures required under AS-17 on 'Segment Reporting' have not been given.

Note 31: Previous year Figures

Previous year figures have been regrouped/recast wherever necessary.

In terms of our report of even date attached

For Gianender & Associates
Chartered Accountants
Firm Registration No. 004661N

Ramesh Koul
Partner
Membership Number : 077804
Place: New Delhi
Date: April 23, 2014



For and on behalf of the Board

Director

Director

Aswayaakady
Company Secretary