

**ANDHRA PRADESH EXPRESSWAY LIMITED**

**FINANCIAL STATEMENT**

**2014-15**

# INDEPENDENT AUDITOR'S REPORT

To the members of ANDHRA PRADESH EXPRESSWAT LIMITED

## Report on the Financial Statements

We have audited the accompanying financial statements of ANDHRA PRADESH EXPRESSWAT LIMITED, ("the Company"), which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss, the 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 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 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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.

### **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 it appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid 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 31st March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 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:
    - a. The Company does not have any pending litigations which would impact its financial position.
    - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For GIANENDER & ASSOCIATES**

**Chartered Accountants**

Regn. No. 04661N

By the hand of



**Ramesh Koul**

Partner

M. No. 077804

Place : New Delhi

Date : 28.04.2015

**Re: ANDHRA PRADESH EXPRESSWAT LIMITED**

- i.
  - a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) Fixed assets have been physically verified by management at the end of the year which, in our opinion, is reasonable having regard to the size of the Company and nature of its asset and no serious discrepancies have been noticed on such verification.
- ii. There are no inventories as company is engaged in the business of infrastructure development and maintenance and hence Para 3 clauses (ii)(a),(ii)(b) and (ii)(c) of the Companies (Auditor's Report) Order 2015 relating to inventory are not applicable.
- iii. The Company has not granted secured / unsecured loans to parties covered in the register maintained under section 189 of the Act. Accordingly, sub-clause (a) and (b) are not applicable
- iv. In our opinion and according to the information and explanations given to us, the internal control procedures are generally adequate and commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and for annuity collection. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls system.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, are not applicable to the Company.
- vi. According to the information and explanations given to us, we are of the opinion that prima facie, cost records prescribed, pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 of the Act, are made and maintained.
- vii.
  - a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is generally regular in depositing undisputed statutory dues relating to provident fund, income tax deducted at source, service tax, value added tax and other statutory dues during the year with the appropriate authorities. We are informed that the provisions of employees' sate insurance, wealth tax, duty of customs, duty of excise, cess are not applicable to the company. As per the records produced before us, there are no undisputed statutory dues which were outstanding as on 31<sup>st</sup> March 2015 for a period over six months from the date of same becoming payable.
  - b) According to the information and explanations given to us, there are no statutory dues pending in respect of income tax, sales tax, value added tax, service tax, duty of customs, wealth tax, duty of excise, cess on account of any dispute.
  - c) According to the information and explanations given to us, no amount is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder.
- viii. The accumulated losses of the company are less than fifty percent of its net-worth The company has not incurred cash loss during the year as well as in the immediately preceding year.
- ix. According to the information and explanations given to us the Company has not defaulted in repayment of dues to financial institutions or banks or debenture holders.



- x. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. According to the information and explanations given to us the Company, the loans taken by the company were applied for the purpose for which the loans were obtained.
- xii. According to information and explanations given to us, which have been relied upon by us, no fraud on or by the Company has been noticed or reported during the year.

**For GIANENDER & ASSOCIATES**

**Chartered Accountants**

Regn. No. 04661N

By the hand of



**Ramesh Koul**

Partner

M. No. 077804

Place : New Delhi

Date : 29.04.2015

## ANDHRA PRADESH EXPRESSWAY LIMITED

## Balance Sheet As At March 31, 2015

Particulars	Note	As At	
		March 31, 2015	March 31, 2014
<b>I EQUITY AND LIABILITIES</b>			
<b>1 SHAREHOLDERS' FUNDS</b>			
(a) Share capital	2	2,53,70,00,600	2,53,70,00,600
(b) Reserves and surplus	3	(94,04,11,375)	(1,03,12,54,948)
		1,59,65,89,225	1,50,57,45,652
<b>2 NON-CURRENT LIABILITIES</b>			
(a) Long-term borrowings	4	4,90,09,63,615	5,31,32,85,697
(b) Other long term liabilities	5	61,86,56,026	51,24,20,130
		5,51,96,19,641	5,82,57,05,827
<b>3 CURRENT LIABILITIES</b>			
(a) Current maturities of long-term debt	6	41,23,22,079	57,21,14,304
(b) Other current liabilities	7	44,31,44,331	20,45,36,616
		85,54,66,410	77,66,50,920
<b>TOTAL</b>		<b>7,97,16,75,276</b>	<b>8,10,81,02,399</b>
<b>II ASSETS</b>			
<b>1 NON CURRENT ASSETS</b>			
(a) Fixed assets	8		
(i) Tangible assets		5,03,36,91,949	5,47,11,92,671
(b) Long-term loans and advances	9	1,12,48,04,079	1,13,92,04,079
(c) Other non-current assets	10	4,08,02,958	4,47,13,372
		6,19,92,98,986	6,65,51,10,122
<b>2 CURRENT ASSETS</b>			
(a) Trade receivables	11	1,00,00,000	1,00,00,000
(b) Cash and Bank Balances	12	1,58,34,89,558	1,32,08,72,489
(c) Short-term loans and advances	13	11,30,09,335	4,76,96,848
(d) Other current assets	14	6,58,77,397	7,44,22,940
		1,77,23,76,290	1,45,29,92,277
<b>TOTAL</b>		<b>7,97,16,75,276</b>	<b>8,10,81,02,399</b>

Notes 1 to 33 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 28, 2015



For and on behalf of the Board

  
Director

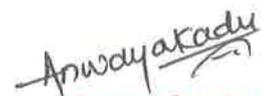
Director

  
Chief Financial Officer

Chief Financial Officer

  
Director

Director

  
Company Secretary

Company Secretary

**ANDHRA PRADESH EXPRESSWAY LIMITED**

**Statement of Profit and Loss** for the year ended March 31, 2015

		₹		
	Particulars	Note	For the year ended March 31, 2015	For the year ended March 31, 2014
I	Revenue from operations	16	1,13,04,00,000	1,12,87,00,000
II	Other income	17	21,45,95,835	18,87,57,656
III	<b>Total revenue (I + II)</b>		<b>1,34,49,95,835</b>	<b>1,31,74,57,656</b>
IV	<b>Expenses</b>			
	Operating expenses	18	7,68,41,939	7,14,38,358
	Employee benefit expenses	19	2,90,452	-
	Finance costs	20	65,23,03,812	66,49,66,605
	Other expenses (Administrative and general expenses)	21	1,56,96,438	1,21,69,021
	Depreciation and amortization expense	8	46,63,73,229	49,72,95,148
	<b>Total expenses</b>		<b>1,21,15,05,870</b>	<b>1,24,58,69,132</b>
V	<b>Profit / (Loss) before taxation (IV-III)</b>		<b>13,34,89,965</b>	<b>7,15,88,524</b>
VI	<b>Tax expense:</b>			
	(1) Current tax		2,80,00,000	1,44,00,000
	(2) Deferred tax		-	-
	(3) MAT Credit Entitlement / Reversal		1,44,00,000	(1,44,00,000)
	<b>Total tax expenses (VI)</b>		<b>4,24,00,000</b>	<b>-</b>
VII	<b>Profit / (Loss) for the year (V-VI)</b>		<b>9,10,89,965</b>	<b>7,15,88,524</b>
	Earnings per equity share (Face value per share Rupees 10/-):	24		
	(1) Basic		2.70	2.12
	(2) Diluted		2.70	2.12

Notes 1 to 33 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 28, 2015

For and on behalf of the Board

  
**Director**

  
**Director**

  
**Chief Financial Officer**

  
**Company Secretary**

**Cash Flow Statement** for the year ended March 31, 2015

	For the year ended 31-Mar-15	For the year ended 31-Mar-14
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Taxes</b>	<b>13,34,89,965</b>	<b>7,15,88,524</b>
<b>Adjustments for :-</b>		
Depreciation	46,63,73,229	49,72,95,148
Interest Expenses	65,23,03,812	66,49,66,605
Other Income	(1,44,401)	(1,67,408)
Interest on Loan Given	(12,91,90,998)	(12,89,44,676)
Interest on Fixed Deposits	(8,52,60,436)	(5,96,45,572)
<b>Operating profit before Working Capital Changes</b>	<b>1,03,75,71,171</b>	<b>1,04,50,92,621</b>
<b>Adjustments changes in working capital:</b>		
Decrease/ (Increase) in other current, Other Non-Current assets & Trade Receivables	(10,18,56,527)	(4,49,02,868)
(Decrease)/ Increase in Other Current, Other Non-Current Liabilities & Trade Payables	34,48,43,611	41,91,72,482
<b>Cash Generated from Operating Activities</b>	<b>1,28,05,58,255</b>	<b>1,41,93,62,235</b>
Payment of Taxes	2,10,00,000	1,41,00,000
	1,30,15,58,255	1,43,34,62,235
<b>NET CASH GENERATED/ (USED) IN OPERATING ACTIVITIES</b>	<b>1,30,15,58,255</b>	<b>1,43,34,62,235</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest on Fixed Deposits / Misc. Income	8,54,04,837	5,98,12,980
<b>NET CASH (USED IN)/ GENERATED FROM INVESTING ACTIVITIES</b>	<b>5,62,85,937</b>	<b>5,98,12,980</b>
<b>(C) CASH FROM FINANCING ACTIVITIES</b>		
Receipt of Rated, Listed, Redeemable Non Convertible debentures	(57,21,14,309)	(53,80,00,000)
Interest on Loan Given	12,91,90,998	12,89,44,676
Interest Expenses	(65,23,03,812)	(66,49,66,605)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>(1,09,52,27,123)</b>	<b>(1,07,40,21,929)</b>
<b>(D) Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>26,26,17,069</b>	<b>41,92,53,286</b>
Cash and Cash Equivalent at the beginning of the year	1,32,08,72,489	90,16,19,203
Cash and Cash Equivalent at the end of the year	1,58,34,89,558	1,32,08,72,489
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>26,26,17,069</b>	<b>41,92,53,286</b>
<b>Notes:</b>		
<b>Components of Cash &amp; Cash Equivalent</b>		
Cash on Hand	3,488	7,660
Cheques on Hand	-	-
Balance with Scheduled Banks - Current Accounts	1,58,34,86,070	1,32,08,64,829
Balance with Scheduled Banks in term deposits (maturity less than 3 months)	-	-
	1,58,34,89,558	1,32,08,72,489
Fixed deposits placed for periods exceeding 3 months	-	-
Cash and Cash Equivalents as per Balance Sheet	<b>1,58,34,89,558</b>	<b>1,32,08,72,489</b>

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 18, 2015



**For and on behalf of the Board**

**Director**

**Director**

**Chief Financial Officer**

**Company Secretary**

## ANDHRA PRADESH EXPRESSWAY LIMITED

### Notes forming part of the Financial Statements for the year ended March 31, 2015

#### 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 statement is prepared in accordance with the Generally Accepted Accounting Principles in India, Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, relevant provisions of the Companies Act, 2013.

#### 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

Tangible fixed assets acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses, such as delivery and handling costs, installation, legal services and consultancy services, directly attributable to bringing the asset to the site and in working condition for its intended use.

Where the construction or development of any asset requiring a substantial period of time to set up for its intended use is funded by borrowings, the corresponding borrowing costs are capitalised up to the date when the asset is ready for its intended use.

Depreciation on tangible fixed assets is computed as under:

As per notification dated, March 26, 2014 issued by the Ministry of Corporate Affairs, Schedule II of the Companies Act 2013 comes into effect from April 1, 2014 which prescribes the useful life of depreciable assets. The Company has adopted the useful life prescribed under the Schedule II of the Companies Act 2013. Also, with effect from April 1, 2014 the Company has decided to change the policy retrospectively for charging depreciation on the basis of Straight Line Method in place of Written Down Method other than those specified otherwise. Accordingly the Company has reinstated its policy for charging depreciation with effect from April 1, 2014 which is as below:

- (i) Assets purchased on or after April 1, 2014 are depreciated on Straight Line Method, over the useful life of assets as prescribed under Schedule II of the Companies Act 2013 other than assets specified in para (ii) below
- (ii) Following assets are depreciated over a useful life which is shorter than the life prescribed under Schedule II of the Companies Act 2013 based on the Management's estimate
- (iii) Data Processing Equipment – Server and Networking equipment are depreciated over a period of 4 years
- (iv) Mobile Phones and Ipad / Tablets are fully depreciated in the year of purchase
- (v) Specialised office equipment's are depreciated on Straight Line Method over a period of three years
- (vi) Cars purchased by the company for employees, are depreciated over a period of five years
- (vii) Assets provided to employees are depreciated over a period of three years
- (viii) Leasehold improvement costs are capitalised and amortised over the period of lease agreement
- (ix) All categories of assets costing less than Rs. 5,000 each are fully depreciated in the year of purchase.
- (x) The residual value of all the assets is retained at Rs. 1/- each

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.



## ANDHRA PRADESH EXPRESSWAY LIMITED

### Notes forming part of the Financial Statements for the year ended March 31, 2015

#### 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.

#### 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.



## ANDHRA PRADESH EXPRESSWAY LIMITED

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**Notes** forming part of the Financial Statements for the year ended March 31, 2015

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### 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.

### XIV Employee Cost

Employee Costs include Short term employee benefits such as Salaries, Incentives etc., as defined in AS -15 on Employee Benefits. The same are recognised as an expense in the period in which the service is rendered by the concerned employee to the company. Company does not have any Defined Contribution plans.

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses in the year in which the employees perform the services that the benefit covers at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment or encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

The Gratuity plan for the company is a defined benefit plan. The cost of providing benefits under gratuity is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised in full in the period in which they occur.



# ANDHRA PRADESH EXPRESSWAY LIMITED

## Notes forming part of the Financial Statements for the year ended March 31, 2015

### Note 2: Share capital

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	₹	Number	₹
<b>Authorised</b>				
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
<b>Issued</b>				
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
<b>Subscribed and Paid up</b>				
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
<b>Total</b>	<b>25,37,00,060</b>	<b>2,53,70,00,600</b>	<b>25,37,00,060</b>	<b>2,53,70,00,600</b>

#### 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 it's 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 period.

Particulars	As at March 31, 2015		As at March 31, 2014	
	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, 2015		As at March 31, 2014	
	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	22,00,00,000	2,20,00,00,000
Shares issued during the year	-	-	-	-
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, 2015

v. Shareholding more than 5% for equity shares

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	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%	44,68,620	13.26%
IL&FS Trust Company Ltd C/o ITNL Road Investment Trust (Entity having control)	2,49,38,000	74.00%	2,49,38,000	74.00%
IL&FS Transportation Networks Limited & it's Nominees (Immediate holding company)	42,93,440	12.74%	42,93,440	12.74%
<b>Total</b>	<b>3,37,00,060</b>	<b>100.00%</b>	<b>3,37,00,060</b>	<b>100.00%</b>

vi. Shareholding more than 5% for preference shares

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	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%
<b>Total</b>	<b>22,00,00,000</b>	<b>100%</b>	<b>22,00,00,000</b>	<b>100%</b>



**ANDHRA PRADESH EXPRESSWAY LIMITED****Notes** forming part of the Financial Statements for the year ended March 31, 2015**Note 3: Reserves and surplus**

Particulars	As at March 31, 2015		As at March 31, 2014	
<b>(a) Debenture Redemption Reserve</b>				
Opening balance	7,15,88,524		-	
(+) Transferred from the Surplus in Statement in Profit and Loss	9,10,89,965	16,26,78,489	7,15,88,524	7,15,88,524
<b>(b) Profit / (Loss) Surplus</b>				
Opening balance	(1,10,28,43,472)		(1,10,28,43,472)	
(+) Profit for the current year	9,10,89,965		7,15,88,524	
(+) Adjustment due to change in depreciation policy	(2,46,392)		-	
(-) Transfer to debenture redemption reserve	(9,10,89,965)	(1,10,30,89,864)	(7,15,88,524)	(1,10,28,43,472)
<b>Total</b>		<b>(94,04,11,375)</b>		<b>(1,03,12,54,948)</b>



# ANDHRA PRADESH EXPRESSWAY LIMITED

## Notes forming part of the Financial Statements for the year ended March 31, 2015

### Note 4: Long-term borrowings

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) <b>Debentures</b>				
(i) Rated, Listed, Redeemable Non Convertible debentures (refer foot note I & ii)		3,77,75,63,615		4,18,98,85,697
(b) <b>Term Loans</b>				
(i) <b>Unsecured</b>				
From Related Party (refer foot note iii)		1,12,34,00,000		1,12,34,00,000
<b>Total</b>		<b>4,90,09,63,615</b>		<b>5,31,32,85,697</b>

#### Foot Notes:

(i) **Rated, Listed, Redeemable Non Convertible Debentures comprises of 5 series from C 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-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	Series D	711	-
15-Apr-18			33,86,10,713
15-Oct-18			37,23,89,287
15-Apr-19	Series E	1,380	-
15-Oct-19			-
15-Apr-20			-
15-Oct-20			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	Series F	461	-
15-Oct-23			-
15-Apr-24			12,58,41,730
15-Oct-24			33,51,58,270
15-Apr-25	Series G	106	-
15-Oct-25			10,60,00,000
<b>Total</b>			<b>3,77,75,63,624</b>

(iii) **Repayment Schedule of Term Loans Unsecured:**

The Borrower shall repay the loans in four equal semi-annual installments commencing from 1st May 2020 as under:-

Due date of repayment	Repayment Installment
1st May 2020	28,08,50,000
1st November 2020	28,08,50,000
1st May 2021	28,08,50,000
1st November 2021	28,08,50,000
<b>Total</b>	<b>1,12,34,00,000</b>

Interest is payable every month @ 11.50% p.a.



# ANDHRA PRADESH EXPRESSWAY LIMITED

## Notes forming part of the Financial Statements for the year ended March 31, 2015

### Note 5: Other long term liabilities

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Interest accrued but not due on borrowings		61,86,56,026		51,24,20,130
<b>Total</b>		<b>61,86,56,026</b>		<b>51,24,20,130</b>

### Note 6: Current maturities of long-term debt

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Non-Convertible Debentures (Refer Footnote)		41,23,22,079		57,21,14,304
<b>Total</b>		<b>41,23,22,079</b>		<b>57,21,14,304</b>

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-15	Series B	957	38,48,85,703
15-Oct-15	Series C	1147	2,74,36,376
			<b>41,23,22,079</b>

### Note 7: Other current liabilities

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Interest accrued but not due on borrowings	40,00,27,923		18,11,85,700	
(b) Interest accrued and due on borrowings - Related	98,75,147		-	
(c) Other liabilities				
Statutory Liabilities	20,54,133		8,39,602	
Other Expense payable - Related	2,98,73,295		2,18,03,363	
Other Expense payable	13,13,833	44,31,44,331	7,07,951	20,45,36,616
<b>Total</b>		<b>44,31,44,331</b>		<b>20,45,36,616</b>



**ANDHRA PRADESH EXPRESSWAY LIMITED**

**Notes** forming part of the Financial Statements for the year ended March 31, 2015

**Note 8: Fixed assets**

Particulars	Gross block			Accumulated depreciation			Net block		
	Balance as at 1-Apr-2014	Additions	Disposals	Balance as at 1-Apr-2014	Adjustments	Depreciation charge for the year	On disposals	Balance as at 31-Mar-2015	Balance as at 31-Mar-2014
<b>a) Tangible assets</b>									
Land - Freehold	1,89,330	-	-	-	-	-	-	1,89,330	1,89,330
Roads	7,87,69,36,146	-	-	2,40,77,37,227	-	46,66,28,893	-	5,00,25,70,026	5,46,91,98,919
Vehicles	21,76,263	-	-	11,09,242	-	(1,24,984)	-	11,92,005	10,67,021
Data processing equipments	7,32,173	-	-	7,32,173	-	-	-	-	-
Office equipments	9,14,259	9,300	-	4,56,272	2,46,392	(14,276)	-	2,35,171	4,57,987
Furniture and fixtures	9,19,528	-	-	6,40,115	-	(1,16,404)	-	3,95,817	2,79,413
<b>b) Capital work-in-progress</b>									
	-	2,91,09,600	-	-	-	-	-	2,91,09,600	-
<b>Grand total</b>	<b>7,88,18,67,699</b>	<b>2,91,18,900</b>	<b>-</b>	<b>2,41,06,75,029</b>	<b>2,46,392</b>	<b>46,63,73,229</b>	<b>-</b>	<b>5,03,36,91,949</b>	<b>5,47,11,92,670</b>
<b>Previous Year 31-Mar-2014</b>	<b>7,88,18,67,699</b>	<b>-</b>	<b>-</b>	<b>1,91,33,79,880</b>	<b>-</b>	<b>49,72,95,149</b>	<b>-</b>	<b>5,47,11,92,670</b>	<b>-</b>

**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 Kumool- Kotakatta Bypass Road. The company has been set up to design, construct, develop, finance, operate and maintain the Kumool-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, 2015

#### Note 9: Long-term loans and advances

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) <b>Security Deposits</b> Unsecured, considered good		14,04,079		14,04,079
(b) <b>Loans and advances to related parties</b> Unsecured, considered good - Long term loans		1,12,34,00,000		1,12,34,00,000
(c) <b>MAT Credit Entitlement</b>		-		1,44,00,000
<b>Total</b>		<b>1,12,48,04,079</b>		<b>1,13,92,04,079</b>

#### Foot Note:

Particulars	As at March 31, 2015		As at March 31, 2014	
<b>Opening MAT credit available</b>		1,44,00,000		-
Addition/ (Reversal) during the period		-1,44,00,000		1,44,00,000
MAT credit availed during the period		-		-
<b>Closing MAT credit available</b>		-		1,44,00,000

#### Note 10: Other Non current assets

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Unamortised debenture issue expenses		4,08,02,958		4,47,13,372
<b>Total</b>		<b>4,08,02,958</b>		<b>4,47,13,372</b>

#### Note 11: Trade receivables

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) <b>Trade receivables outstanding for a period exceeding six months from the date they are due</b> Unsecured, considered good		1,00,00,000		1,00,00,000
(b) <b>Trade receivables outstanding for a period less than six months from the date they are due</b> Unsecured, considered good		1,00,00,000		1,00,00,000
<b>Total</b>		<b>1,00,00,000</b>		<b>1,00,00,000</b>

#### 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, 2015

#### Note 12: Cash and Bank Balances

Particulars	As at March 31, 2015		As at March 31, 2014	
<b>(a) Cash and cash equivalents</b>				
Cash on hand	3,488		7,660	
Balances with banks in current accounts (refer footnote)	1,58,34,86,070		1,32,08,64,829	
Bank deposit with less than 3 months original maturity	-	1,58,34,89,558	-	1,32,08,72,489
<b>(b) Other bank balances</b>				
Bank deposit with more than 3 months original maturity		-		-
<b>Total</b>		<b>1,58,34,89,558</b>		<b>1,32,08,72,489</b>

#### Footnote:

#### Details of bank balance with various sub account :

Bank Account Number	₹
Axis Bank Escrow A/c	15,36,42,452
Axis Bank MMR A/c	63,67,23,106
Axis Bank DSRA A/c	32,73,52,100
Axis Bank O&M A/c	4,95,18,840
Axis Bank Debt Payment A/c	40,46,38,847
Bank of India A/c	1,15,17,143
Axis Bank Distribution A/c	93,582
	<b>1,58,34,86,070</b>

#### Note 13: Short-term loans and advances

Particulars	As at March 31, 2015		As at March 31, 2014	
<b>(a) Loans and advances to related parties</b>				
Unsecured, considered good				
- Mobilisation & pre-construction advance recoverable to related party		5,55,89,152		-
<b>(b) Other loans and advances</b>				
Unsecured, considered good				
- Advance payment of taxes (net of provision)		5,66,76,010		3,85,40,315
- others advances		40,000		10,00,000
<b>(b) Prepaid expenses</b>				
		7,04,173		81,56,533
<b>Total</b>		<b>11,30,09,335</b>		<b>4,76,96,848</b>

#### Note 14: Other current assets

Particulars	As at March 31, 2015		As at March 31, 2014	
<b>(a) Annuity income accrue but not due</b>				
	4,96,87,912		4,96,87,912	
<b>(b) Interest accrue but not due</b>				
	1,09,65,803		1,09,71,289	
<b>(c) Debenture issue expenses - unamortised</b>				
	39,10,417		38,99,733	
<b>(d) Others</b>				
NHA1 - Withheld for Other work & on account of WCT	88,60,227		98,64,006	
Less : Provision for Doubtful Debt	(75,46,963)	6,58,77,397	-	7,44,22,940
<b>Total</b>		<b>6,58,77,397</b>		<b>7,44,22,940</b>



**ANDHRA PRADESH EXPRESSWAY LIMITED****Notes** forming part of the Financial Statements for the year ended March 31, 2015**Note 15: Contingent liabilities and capital commitments****A) Contingent liabilities :**

₹

Particulars ( Name & description)	As at March 31, 2015	As at March 31, 2014
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	5,14,07,660

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

₹

Particulars ( Name of party & description)	As at March 31, 2015	As at March 31, 2014
1 Periodic overlay Activities	1,85,33,90,400	1,88,25,00,000

**C) Disclose the amount paid/Payable to Auditors :**

₹

Sr no.	Particulars ( Name of party & description)	As at March 31, 2015	As at March 31, 2014
1	Audit Fees	2,24,720	2,24,720
2	Audit Fees - Audit Fees - Others Services	5,39,328	6,01,126
3	Audit Fees - Audit Fees - OPE Exp	30,900	23,034
	<b>Total</b>	<b>7,94,948</b>	<b>8,48,880</b>



**ANDHRA PRADESH EXPRESSWAY LIMITED****Notes** forming part of the Financial Statements for the year ended March 31, 2015**Note 16: Revenue from operations**

₹

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
(a) <b>Income from services</b>				
Annuity Income		1,13,04,00,000		1,12,87,00,000
		<b>1,13,04,00,000</b>		<b>1,12,87,00,000</b>

**Note 17: Other income**

₹

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
<b>Interest Income</b>				
(a) Interest on bank deposits	8,52,60,436		5,96,45,572	
(b) Interest on Loan Given	12,91,90,998		12,89,44,676	
(c) Miscellaneous income	1,44,401	21,45,95,835	1,67,408	18,87,57,656
		<b>21,45,95,835</b>		<b>18,87,57,656</b>



## ANDHRA PRADESH EXPRESSWAY LIMITED

### Notes forming part of the Financial Statements for the year ended March 31, 2015

#### Note 18: Operating expenses

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
Operation and maintenance expenses		7,68,41,939		7,14,38,358
		<b>7,68,41,939</b>		<b>7,14,38,358</b>

#### Note 19: Employee benefit expenses

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
(a) Salaries, Wages and allowances	2,57,556		-	
(b) Contribution to provident and other funds	20,436		-	
(c) Staff Training & Welfare expenses	12,460		-	
		2,90,452		-
		<b>2,90,452</b>		<b>-</b>

#### Note 20: Finance costs

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
<b>(a) Interest expenses</b>				
Interest on loans	12,91,91,004		12,91,91,005	
Interest on debentures	50,62,63,821	63,54,54,825	52,42,78,073	65,34,69,078
<b>(b) Other borrowing costs</b>				
Amortisation of Borrowing Cost	44,37,056		38,99,734	
Guarantee commission	93,46,075		67,53,282	
Finance charges	30,65,856	1,68,48,987	8,44,511	1,14,97,527
		<b>65,23,03,812</b>		<b>66,49,66,605</b>

#### Note 21: Other expenses (Administrative and general expenses)

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
Legal and consultation fees	58,26,362		74,95,384	
Business Promotion Expenses	-		52,128	
Travelling and conveyance	1,93,466		1,26,018	
Rent	-		17,13,027	
Rates and taxes	2,31,220		8,475	
Repairs and maintenance	-		11,17,953	
Guest House Expenses	23,484		-	
Communication expenses	26,536		63,192	
Insurance	3,00,979		43,253	
Vehicle Running Expenses	4,24,687		3,54,782	
Bank Charges	10,593		18,384	
Printing and stationery	83,499		60,638	
Advertising Expenses	36,962		43,313	
Directors' & Audit Committee fees	1,34,832		1,53,652	
Auditor's Remuneration	7,94,948		8,48,880	
Provision for Doubtful Debt	75,46,963		-	
Miscellaneous expenses	61,907	1,56,96,438	69,942	1,21,69,021
		<b>1,56,96,438</b>		<b>1,21,69,021</b>



**ANDHRA PRADESH EXPRESSWAY LIMITED**

**Notes** forming part of the Financial Statements for the year ended March 31, 2015

**Note 22: Related Party Statement**

Nature of Relationship	Name of Entity	Acronym used
Ultimate Holding Company:	Infrastructure Leasing & Financial Services Ltd.	<b>IL&amp;FS</b>
Entity having Control:	IL&FS Trust Company Limited C/o ITNL Road Investments Trust (IRIT)	<b>IRIT</b>
Immediate Holding Company:	IL&FS Transportation Networks Limited	<b>ITNL</b>
Fellow Subsidiaries:	IL&FS Trust Company Limited	<b>ITCL</b>
	IL&FS Securities Services Limited	<b>ISSL</b>
	Elsamex India Pvt Ltd.	<b>ELSAMEX</b>
	Charminar Robopark Limited	<b>CRL</b>
Key Management personnel :	Mr. P M Reddy - Manager	
	Mr. Mukund Sapre	
	Mr. Avinash Bagul	
	Mr. Cherian George	
	Mr. Pradeep Puri	
	Mr. Manu Kochhar	
	Mrs. Varsha Sawant	
	Mr. Vijay Kini	
	Mr. Vipul Solanki - CFO	
Mrs. Anwaya Kadu - CS		

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

Account head	Name of Entity	31-Mar-15	31-Mar-14
<b>Balances:</b>			
Share Capital	IL&FS Transportation Networks Limited	4,29,34,400	4,29,34,400
Preference Shares	IL&FS Transportation Networks Limited	2,20,00,00,000	2,20,00,00,000
Sundry Creditors	IL&FS Transportation Networks Limited	2,98,73,319	1,19,28,215
Mobilisation advance - Overlay	IL&FS Transportation Networks Limited	5,55,89,152	-
Share Capital	IL&FS Trust Company Limited C/o ITNL Road Investments Trust (IRIT)	24,93,80,000	24,93,80,000
Share Capital	Infrastructure Leasing & Financial Services Ltd.	4,46,86,200	4,46,86,200
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.	1,09,65,803	1,09,71,289
Sundry Creditors- Interest Payable	Infrastructure Leasing & Financial Services Ltd.	98,75,147	98,75,148
Advances Given / Taken	Elsamex	-	10,00,000
<b>Account head</b>			
<b>Transactions:</b>			
Operation & Maintenance Fees	IL&FS Transportation Networks Limited	7,50,10,272	7,14,38,358
Guarantee Commission	IL&FS Transportation Networks Limited	93,46,075	67,53,282
Mobilisation advance - Overlay	IL&FS Transportation Networks Limited	5,55,89,152	-
Overlay Activities	IL&FS Transportation Networks Limited	2,91,09,600	-
Deputation Cost	IL&FS Transportation Networks Limited	13,45,980	-
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.	12,91,91,004	12,91,91,005
Interest Received	Infrastructure Leasing & Financial Services Ltd.	12,91,90,998	12,89,44,676
Professional Fees	IL&FS Securities Services Limited	17,454	22,972
Advances Given / Taken	Elsamex India Pvt Ltd.	10,00,000	10,00,000
Director's Sitting Fees	Mukund Sapre	22,472	40,000
Director's Sitting Fees	Avinash Bagul	5,618	20,000
Director's Sitting Fees	Cherian George	44,944	40,000
Director's Sitting Fees	Pradeep Puri	22,472	30,000
Director's Sitting Fees	Manu Kochhar	22,472	-
Director's Sitting Fees	Varsha sawant	5,618	-
Director's Sitting Fees	Vijay Kini	11,236	-

**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.



## ANDHRA PRADESH EXPRESSWAY LIMITED

### Notes forming part of the Financial Statements for the year ended March 31, 2015

#### Note 23: Employee Benefit (AS-15)

##### (i) Employee benefit obligations:

###### (A) Defined-contribution plans

(i) The Group offers its employees defined contribution benefits in the form of provident fund, family pension fund and superannuation fund. Provident fund, family pension fund and superannuation fund cover substantially all regular employees. Contributions are paid during the year into separate funds under certain statutory / fiduciary-type arrangements. While both the employees and the Group pay predetermined contributions into the provident fund and pension fund, contributions to superannuation fund are made only by the Group. The contributions are normally based on a certain proportion of the employee's salary.

(ii) A sum of ₹ 20,436/- (previous year ₹ NIL ) has been charged to the consolidated Statement of Profit and Loss in this respect.

###### (B) Defined-benefit plans:

The Group offers its employees defined-benefit plans in the form of gratuity (a lump sum amount). Amounts payable under defined benefit plans are typically based on years of service rendered and the employee's eligible compensation (immediately before retirement). The gratuity scheme covers substantially all regular employees. In the case of the gratuity scheme, the Group contributes funds to the Life Insurance Corporation of India which administers the scheme on behalf of the Group. Commitments are actuarially determined at year end. Actuarial valuation is based on "Projected Unit Credit" method. Gains and losses due to changes in actuarial assumptions are charged to the Consolidated Statement of Profit and Loss.

The net value of the defined-benefit commitment is detailed below:

Particulars	As at March 31, 2015	As at March 31, 2014
Present value of commitment		
Fair value of plans		
Unrecognised past service cost		
<b>Payable / ( Prepaid) amount taken to the balance sheet</b>	-	-

Defined benefit commitments:

Gratuity	As at March 31, 2015	As at March 31, 2014
Opening balance		
Excess provision written back		
Interest cost		
Current service cost		
Benefits paid		
Actuarial (gain) / loss		
Transferred from / to other company		
<b>Closing balance</b>	-	-

Plan Assets:

Gratuity	As at March 31, 2015	As at March 31, 2014
Opening balance		
Expected return on plan assets		
Contributions by the Company / Group		
Benefits paid		
Transferred from / to other company		
Actuarial gain / (loss)		
Other adjustments		
Fair value of plan assets	-	-

Return on Plan Assets:

Gratuity	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Expected return on plan assets		
Actuarial gain / (loss)		
Actual return on plan assets	-	-

Expenses on defined benefit plan recognised in the Consolidated Statement of Profit and Loss:



**ANDHRA PRADESH EXPRESSWAY LIMITED**

**Notes** forming part of the Financial Statements for the year ended March 31, 2015

Gratuity	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Current service cost		
Interest expenses		
Expected return on investments		
Net actuarial (gain) / loss		
Expenses charged to Consolidated Statement of Profit and Loss	-	-

(i) The actuarial calculations of estimated defined benefit commitments and expenses are based on the following assumptions, which if changed would affect the defined benefit commitment's size, funding requirements and pension expense.

Particular	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Rate for discounting liabilities		
Expected salary increase rate		
Expected return on scheme assets		
Attrition date		
Mortality table used		

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

(iii) The amounts of the present value of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets for the current year and previous four annual years is given below:

Gratuity (Funded Plan)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Defined benefit commitments				
Plan assets				
Unfunded liability transferred from group companies				
(Surplus) / Deficit	-	-	-	-

Gratuity (Funded Plan)	For the year ended March 31, 2015	For the year ended March 31, 2014	Year ended March 31, 2014	Year ended March 31, 2013
Experience adjustments on plan commitments				
Experience adjustments on plan assets				

(iv) The contribution expected to be made by some of the constituents of the Group during the next 12 months is ₹ \_\_\_\_\_ (Previous year ₹ \_\_\_\_\_)



# ANDHRA PRADESH EXPRESSWAY LIMITED

## Notes forming part of the Financial Statements for the Year ended March 31, 2015

### Note 24: Earnings per share

Particulars	Unit	For the year ended March 31, 2015	For the year ended March 31, 2014
Profit after tax	₹	9,10,89,965	7,15,88,524
Profit available for Equity Shareholders	₹	9,10,89,965	7,15,88,524
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	₹	2.70	2.12
Equity shares used to compute diluted earnings per share	Numbers	3,37,00,060	3,37,00,060
Diluted Earnings per share	₹	2.70	2.12

### Note 25: Director's Remuneration

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

### Note 26: Provision for Deferred Taxation and MAT Receivable

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. As per the Guidance Note issued by ICAI regarding accounting treatment of MAT credit available u/s 115 JB of Income Tax Act, 1961, MAT Credit available in the books of accounts of the company shall be reviewed periodically and it shall be written off if there is a convincing evidence that company will not pay normal tax liability in the specified period. Hence company has written off MAT credit available as on March 31, 2014 during the year and has not recognised the MAT Credit for current financial year.

### Note 27: Inventory

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

### Note 28:

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 29:

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.

Company has maintained debenture redemption reserve as per section 71 of the companies act 2013 read with rule 18 of companies (share capital and debentures) rule, 2014 only to the extent of profits available.

### Note 30:

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

### Note 31: 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 32:

#### (a) Result of the change in method of charging depreciation

Particulars	For the year ended March 31, 2015
The charge on account of Depreciation for the year is lower by than the amount that would correspond to the method of depreciation previously used and useful lives previously assessed	10,39,243
Carrying amount of assets with revised useful life as Nil, has been charged to Surplus in the Statement of Profit & Loss as at April 1, 2014	(2,46,392)
Carrying amount of assets with revised useful life as Nil, has been credited to capital work in progress	-

### Note 33:

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 28, 2015



For and on behalf of the Board



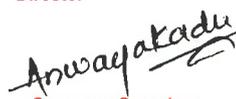
Director



Chief Financial Officer



Director



Company Secretary