

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ANDHRA PRADESH EXPRESSWAY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Andhra Pradesh Expressway Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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, 2016, 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we enclosed in the annexure a statement on the matters specified in paragraph 3 and 4 of the said Order to the extent applicable.
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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by 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. There are no observations or comments on the financial transactions or matters which have any adverse effect on the functioning of the company.
 - f. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-A".
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The company has no pending litigation which would impact its financial position;
- ii. The company did not have any long-term contract including derivative contract for which there were any material foreseeable losses;
- iii. There were no amount which were required by the company to be transferred to the Investor Education and Protection Fund.

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)



Ramesh Koul
Partner
M.No 077804

Place: New Delhi
Date:27.4.16

Annexures to the Independent Auditor's Report of Andhra Pradesh Expressway Limited for the Year ended as on 31st March 2016

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-

- i.
 - a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) The Fixed Assets have been physically verified by the management at regular intervals and no material discrepancies were noticed on such verification
 - c) The title deeds of immoveable properties are held in the name of the company.
- ii. As the company is engaged in the business of infrastructure development, operations and its maintenance and there is no inventory in hand at any point of time, hence paragraph 3(ii) of the Order is not applicable to the company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.
- v. The Company has not accepted deposits in terms of the provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under. Therefore the paragraph 3(v) of the Order is not applicable to the company.
- vi. The Company is prima-facie maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- 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 has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2016, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable.
 - b) According to the information and explanations given to us, there were no statutory dues pending in respect of income tax, sales tax, VAT, custom duty and cess etc. on account of any dispute.
- viii. During the year the company has not defaulted in repayment of loans or borrowing to the banks or to the debenture holders. Company has not borrowed any money from Government.
- ix. Money raised by way of term loan were applied for the purpose for which it was raised.



The Company has not raised money by way of initial public offer or further public offer.

- x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.
- xi. In our opinion, the managerial remuneration paid or provided by the company are in accordance with the provision of section 197 read with Schedule V of the Companies Act 2013.
- xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information provided to use, the transaction entered with the related parties are in compliance with section 177 and 188 of the Act and are disclosed in the financial statements as required by the applicable accounting standards.
- xiv. Company has not made any preferential allotment of shares or debentures during the year.
- xv. According to the information provided to us, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under section 192 of the Companies Act 2013. Therefore, paragraph 3(xv) of the Order is not applicable to the company.
- xvi. According to the information provided to us, the company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the company.

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)



Ramesh Koul

Ramesh Koul
Partner
M.No 077804

Place: New Delhi
Date: 27.4.16

Annexure-A

Annexure referred to in paragraph 2 under the heading “Report on Other Legal and Regulatory Requirements” of our report on even date:-

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

We have audited the internal financial controls over financial reporting of **Andhra Pradesh Expressway Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)




Ramesh Koul
Partner
M.No 077804

Place: New Delhi
Date:27.4.16

ANDHRA PRADESH EXPRESSWAY LIMITED

CIN : - U63031MH2005PLC157256

Balance Sheet As At March 31, 2016

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Particulars	Note	As At		As At	
		March 31, 2016		March 31, 2015	
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	-83,87,02,383	1,69,82,98,217	(94,04,11,375)	1,59,65,89,225
2 NON-CURRENT LIABILITIES					
(a) Long-term borrowings	4	4,17,45,28,992		4,90,09,63,615	
(b) Other long term liabilities	5	1,00,06,21,428	5,17,51,50,420	61,86,56,026	5,51,96,19,641
3 CURRENT LIABILITIES					
(a) Current maturities of long-term debt	6	72,64,34,619		41,23,22,079	
(b) Other current liabilities	7	11,22,56,833	83,86,91,452	44,31,44,331	85,54,66,410
TOTAL			7,71,21,40,089		7,97,16,75,276
II ASSETS					
1 NON CURRENT ASSETS					
(a) Fixed assets	8				
(i) Tangible assets		5,01,94,63,473		5,03,35,02,619	
(b) Long-term loans and advances	9	1,12,48,60,289		1,12,48,04,079	
(c) Other non-current assets	10	3,70,92,553	6,18,14,16,315	4,09,92,288	6,19,92,98,986
2 CURRENT ASSETS					
(a) Trade receivables	11	1,00,00,000		1,00,00,000	
(b) Cash and Bank Balances	12	1,40,99,87,288		1,58,34,89,558	
(c) Short-term loans and advances	13	4,59,62,443		11,30,09,335	
(d) Other current assets	14	6,47,74,043	1,53,07,23,774	6,58,77,396	1,77,23,76,289
TOTAL			7,71,21,40,089		7,97,16,75,276

Notes 1 to 32 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
Ramesh Koul
Partner
Membership Number : 077804



Place: New Delhi
Date : April 27, 2016

For and on behalf of the Board

[Signature]
Director

[Signature]
Director

[Signature]
Chief Financial Officer

[Signature]
Company Secretary

Place: Mumbai
Date : April 27, 2016

ANDHRA PRADESH EXPRESSWAY LIMITED

CIN : - U63031MH2005PLC157256

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

		₹		
	Particulars	Note	For the year ended March 31, 2016	For the year ended March 31, 2015
I	Revenue from operations	16	1,13,04,00,000	1,13,04,00,000
II	Other income	17	18,29,41,892	21,45,95,835
III	Total revenue (I + II)		1,31,33,41,892	1,34,49,95,835
IV	Expenses			
	Operating expenses	18	8,10,13,825	7,68,41,939
	Employee benefit expenses	19	3,86,641	2,90,452
	Finance costs	20	62,01,72,509	65,23,03,812
	Other expenses (Administrative and general expenses)	21	85,10,206	1,56,96,438
	Depreciation and amortization expense	8	46,71,83,304	46,63,73,229
	Total expenses		1,17,72,66,485	1,21,15,05,870
V	Profit / (Loss) before taxation (IV-III)		13,60,75,407	13,34,89,965
VI	Tax expense:			
	(1) Current tax		3,00,00,000	2,80,00,000
	(2) Tax related to earlier years		43,66,415	-
	(3) Deferred tax		-	-
	(4) MAT Credit Entitlement / Reversal		-	1,44,00,000
	Total tax expenses (VI)		3,43,66,415	4,24,00,000
	Add / Less : Share of profit / (loss) of associates (net)		-	-
VII	Profit / (Loss) for the year (V-VI)		10,17,08,992	9,10,89,965
	Earnings per equity share (Face value per share Rupees 10/-):	24		
	(1) Basic		-	-
	(2) Diluted		-	-

Notes 1 to 32 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



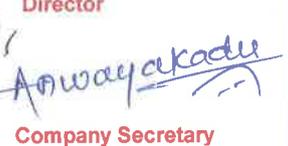
Place: New Delhi
Date : April 27, 2016

For and on behalf of the Board


Director


Director


Chief Financial Officer


Company Secretary

Place: Mumbai
Date : April 27, 2016

ANDHRA PRADESH EXPRESSWAY LIMITED

CIN : - U63031MH2005PLC157256

Cash Flow Statement for the year ended March 31, 2016

	For the year ended March 31, 2016	For the year ended March 31, 2015
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxes	13,60,75,407	13,34,89,965
Adjustments for :-		
Loss on sale of fixed assets	5,873	
Depreciation	46,71,83,304	46,63,73,229
Interest Expenses	62,01,72,509	65,23,03,812
Other Income	(29,571)	(1,44,401)
Interest on Loan Given	(12,95,44,944)	(12,91,90,998)
Interest on Fixed Deposits	(5,03,20,906)	(8,52,60,436)
Operating profit before Working Capital Changes	1,04,35,41,672	1,03,75,71,171
Adjustments changes in working capital:		
Decrease/ (Increase) in other current, Other Non-Current assets & Trade Receivables	7,79,93,770	(10,18,56,527)
(Decrease)/ Increase in Other Current, Other Non-Current Liabilities & Trade Payables	1,67,11,489	34,48,43,611
Cash Generated from Operating Activities	1,13,82,46,931	1,28,05,58,255
Payment of Taxes	(60,00,000)	2,10,00,000
	1,13,22,46,931	1,30,15,58,255
NET CASH GENERATED/ (USED) IN OPERATING ACTIVITIES	1,13,22,46,931	1,30,15,58,255
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Payment for Purchase of Fixed Assets	(45,31,85,853)	(2,91,18,900)
Proceeds from Sale of Fixed Assets	65,393	-
Interest on Fixed Deposits / Misc. Income	5,03,20,906	8,54,04,837
NET CASH (USED IN)/ GENERATED FROM INVESTING ACTIVITIES	(40,27,99,554)	5,62,85,937
(C) CASH FROM FINANCING ACTIVITIES		
Receipt of Rated, Listed, Redeemable Non Convertible debentures	(41,23,22,083)	(57,21,14,309)
Interest on Loan Given	12,95,44,944	12,91,90,998
Interest Expenses	(62,01,72,509)	(65,23,03,812)
NET CASH GENERATED FROM FINANCING ACTIVITIES	(90,29,49,648)	(1,09,52,27,123)
(D) Net Increase/ (Decrease) in Cash and Cash Equivalents	(17,35,02,270)	26,26,17,069
Cash and Cash Equivalent at the beginning of the year	1,58,34,89,558	1,32,08,72,489
Cash and Cash Equivalent at the end of the year	1,40,99,87,288	1,58,34,89,558
Net Increase / (Decrease) in Cash & Cash Equivalents	(17,35,02,270)	26,26,17,069
Notes:		
Components of Cash & Cash Equivalent		
Cash on Hand	15,193	3,488
Balance with Scheduled Banks - Current Accounts	1,40,99,72,095	1,58,34,86,070
Balance with Scheduled Banks in term deposits (maturity less than 12 months)	-	-
	1,40,99,87,288	1,58,34,89,558
Fixed deposits placed for periods exceeding 3 months	-	-
Cash and Cash Equivalents as per Balance Sheet	1,40,99,87,288	1,58,34,89,558

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 27, 2016



For and on behalf of the Board

Director

Director

Chief Financial Officer

Company Secretary

Place: New Delhi
Date : April 27, 2016

Notes forming part of the Financial Statements for the year ended March 31, 2016**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.

(i) Assets 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.

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.



Notes forming part of the Financial Statements for the year ended March 31, 2016**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.

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, 2016

Note 2: Share capital

Particulars	As at March 31, 2016		As at March 31, 2015	
	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		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 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.

v. Terms and Rights of Issue of Equity Shares:

The company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Particulars	As at March 31, 2016		As at March 31, 2015	
	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, 2016		As at March 31, 2015	
	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, 2016

v. Shareholding more than 5% for equity shares

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	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%
Total	3,37,00,060	100.00%	3,37,00,060	100.00%

vi. Shareholding more than 5% for preference shares

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	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%

Note 3: Reserves and surplus

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Debenture Redemption Reserve				
Opening balance	16,26,78,489		7,15,88,524	
(+) Transferred from the Surplus in Statement in Profit and Loss	10,17,08,991	26,43,87,480	9,10,89,965	16,26,78,489
(b) Profit / (Loss) Surplus				
Opening balance	(1,10,30,89,864)		(1,10,28,43,472)	
(+) Profit for the current year	10,17,08,991		9,10,89,965	
(+) Adjustment due to change in depreciation policy			(2,46,392)	
(-) Transfer to debenture redemption reserve	(10,17,08,991)	(1,10,30,89,864)	(9,10,89,965)	(1,10,30,89,864)
Total		(83,87,02,384)		(94,04,11,375)

₹



ANDHRA PRADESH EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2016

Note 4: Long-term borrowings

₹

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Debentures (i) Rated, Listed, Redeemable Non Convertible debentures (refer foot note I & ii)		3,05,11,28,992		3,77,75,63,615
(b) Term Loans (i) Unsecured From others (refer foot note iii)		1,12,34,00,000		1,12,34,00,000
Total		4,17,45,28,992		4,90,09,63,615

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-17	Series C	1,147	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	10,59,99,976
Total			3,05,11,28,992

(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
Total	1,12,34,00,000

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, 2016

Note 5: Other long term liabilities

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Interest accrued but not due on borrowings		1,00,06,21,428		61,86,56,026
Total		1,00,06,21,428		61,86,56,026

Note 6: Current maturities of long-term debt

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Non-Convertible Debentures (Refer Footnote)		72,64,34,619		41,23,22,079
Total		72,64,34,619		41,23,22,079

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-16	Series C	1147	35,17,65,797
15-Oct-16	Series C	1147	37,46,68,822
			72,64,34,619

Note 7: Other current liabilities

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Interest accrued but not due on borrowings	9,47,15,389		40,00,27,923	
(b) Interest accrued but not due on borrowings - Related	98,75,148		98,75,147	
(c) Other liabilities				
Statutory Liabilities	3,84,322		20,54,133	
Other Expense payable - Related	57,05,702		2,98,73,295	
Other Expense payable	15,76,272	11,22,56,833	13,13,833	44,31,44,331
Total		11,22,56,833		44,31,44,331



ANDHRA PRADESH EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2016

Note 8: Fixed assets

Particulars	Gross block			Accumulated depreciation			Net block		
	Balance as at 1-Apr-2015	Additions	Disposals	Balance as at 31-Mar-2016	Adjustments	Depreciation charge for the year	On disposals	Balance as at 31-Mar-2016	Balance as at 31-Mar-2015
a) Tangible assets									
Roads	7,87,69,36,146	48,21,00,002	-	8,35,90,36,148	-	46,66,14,979	-	3,34,09,81,099	5,00,29,50,026
Vehicles	21,76,263	-	46,010	21,30,253	-	2,43,866	46,009	11,82,215	11,92,005
Data processing equipments	7,32,173	-	2,52,393	4,79,780	-	-5	2,52,393	4,79,775	5
Office equipments	9,23,559	1,95,451	6,13,360	5,05,650	-	2,22,197	5,77,609	3,32,976	2,35,171
Furniture and fixtures	9,19,528	-	1,05,492	8,14,036	-	1,02,167	99,549	5,26,329	3,95,817
b) Capital work-in-progress									
	2,91,09,800	45,29,90,402	48,21,00,002	-	-	-	-	-	2,91,09,800
Total	7,91,07,97,269	93,52,85,855	48,31,17,257	8,36,29,65,867	-	46,71,83,304	9,75,560	3,34,35,02,394	5,01,94,63,473
Previous Year 31-Mar-2015	7,88,18,67,699	2,91,18,900	-	7,91,09,86,599	2,46,392	46,63,73,229	-	2,87,72,94,650	5,03,35,02,619

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, 2016

Note 9: Long-term loans and advances

₹

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Security Deposits Unsecured, considered good		14,60,289		14,04,079
(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		-		-
Total		1,12,48,60,289		1,12,48,04,079

Foot Note:

₹

Particulars	As at March 31, 2016	As at March 31, 2015
Opening MAT credit available	-	1,44,00,000
Addition/ (Reversal) during the period	-	-1,44,00,000
MAT credit availed during the period	-	-
Closing MAT credit available	-	-

Note 10: Other Non current assets

₹

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Unamortised debenture issue expenses		3,69,03,223		4,08,02,958
(b) Investment in Immovable Property - Land		1,89,330		1,89,330
Total		3,70,92,553		4,09,92,288

Note 11: Trade receivables

₹

Particulars	As at March 31, 2016		As at March 31, 2015	
(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	-	1,00,00,000
Total		1,00,00,000		1,00,00,000

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, 2016

Note 12: Cash and Bank Balances

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Cash and cash equivalents				
Cash on hand	15,193		3,488	
Balances with banks in current accounts (refer footnote)	1,40,99,72,095		1,58,34,86,070	
Bank deposit with less than 3 months original maturity	-	1,40,99,87,288	-	1,58,34,89,558
(b) Other bank balances				
Bank deposit with more than 3 months original maturity	-		-	
Total		1,40,99,87,288		1,58,34,89,558

Footnote:

Details of bank balance with various sub account :

Bank Account Number	Mar-16	Mar-15
Axis Bank Escrow A/c	31,64,00,071	15,36,42,452
Axis Bank MMR A/c	35,63,43,009	63,67,23,106
Axis Bank DSRA A/c	32,37,32,424	32,73,52,100
Axis Bank O&M A/c	7,88,89,105	4,95,18,840
Axis Bank Debt Payment A/c	32,37,88,395	40,46,38,847
Bank of India A/c	1,07,05,993	1,15,17,143
Axis Bank Distribution A/c	1,13,098	93,582
	1,40,99,72,095	1,58,34,86,070

Note 13: Short-term loans and advances

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Loans and advances to related parties				
Unsecured, considered good				
- Mobilisation & pre-construction advance recoverable to related party		-		5,55,89,152.00
(b) Other loans and advances				
Unsecured, considered good				
- Advance payment of taxes (net of provision)		4,47,45,267		5,66,76,010
- others advances		-		40,000
(b) Prepaid expenses				
		12,17,175		7,04,173
Total		4,59,62,442		11,30,09,335

Note 14: Other current assets

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Annuity income accrue but not due				
	4,96,87,912		4,96,87,912	
(b) Interest accrue but not due				
	1,09,17,524		1,09,65,803	
(c) Debenture issue expenses - unamortised				
	38,99,733		39,10,417	
(d) Others				
NHAI - Withheld for Other work & on account of WCT	78,15,837		88,60,227	
Less : Provision for Doubtful Debt	(75,46,963)	6,47,74,043	(75,46,963)	6,58,77,397
Total		6,47,74,043		6,58,77,397



ANDHRA PRADESH EXPRESSWAY LIMITED**Notes** forming part of the Financial Statements for the year ended March 31, 2016**Note 15: Contingent liabilities and capital commitments****A) Contingent liabilities :**

₹

Particulars (Name & description)	As at March 31, 2016	As at March 31, 2015
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, 2016	As at March 31, 2015
1 Periodic overlay Activities	1,40,04,00,000	1,85,33,90,400

C) Disclose the amount paid/Payable to Auditors :

₹

Sr no.	Particulars (Name of party & description)	As at March 31, 2016	As at March 31, 2015
1	Audit Fees	2,85,750	2,24,720
2	Audit Fees - Audit Fees - Others Services	6,91,327	5,39,328
3	Audit Fees - Audit Fees - OPE Exp Tax Audit	26,138	30,900



ANDHRA PRADESH EXPRESSWAY LIMITED**Notes** forming part of the Financial Statements for the year ended March 31, 2016**Note 16: Revenue from operations**

₹

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
(a) Income from services				
Annuity Income		1,13,04,00,000		1,13,04,00,000
		1,13,04,00,000		1,13,04,00,000

Note 17: Other income

₹

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
Interest Income				
(a) Interest on bank deposits	5,03,20,906		8,52,60,436	
(b) Interest on Loan Given	12,95,44,944		12,91,90,998	
(c) Miscellaneous income (Interest On Income Tax Refund)	30,46,471		1,44,401	
(d) Profit on Sale of Fixed Asset	29,571	18,29,41,892	-	21,45,95,835
		18,29,41,892		21,45,95,835



ANDHRA PRADESH EXPRESSWAY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2016

Note 18: Operating expenses

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
Operation and maintenance expenses		8,10,13,825		7,68,41,939
		8,10,13,825		7,68,41,939

Note 19: Employee benefit expenses

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
(a) Salaries, Wages and allowances	3,54,158		2,57,556	
(b) Contribution to provident and other funds	22,483		20,436	
(c) Staff Training & Welfare expenses	10,000		12,460	
		3,86,641		2,90,452
		3,86,641		2,90,452

Note 20: Finance costs

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
(a) Interest expenses				
Interest on loans	12,95,44,954		12,91,91,004	
Interest on debentures	47,66,80,795	60,62,25,749	50,62,63,821	63,54,54,825
(b) Other borrowing costs				
Guarantee commission			44,37,056	
Amortisation of Borrowing Cost	51,32,991		93,46,075	
Guarantee commission	66,32,776		30,65,856	
Finance charges	21,80,993	1,39,46,760		1,68,48,987
		62,01,72,509		65,23,03,812

Note 21: Other expenses (Administrative and general expenses)

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
Legal and consultation fees	54,06,516		58,26,362	
Business Promotion Expenses	92,950		-	
Travelling and conveyance	1,69,912		1,93,466	
Rates and taxes	5,22,599		2,31,220	
Guest House Expenses	-		23,484	
Communication expenses	35,517		26,536	
Insurance	33,051		3,00,979	
Vehicle Running Expenses	5,28,554		4,24,687	
Bank Charges	25,023		10,593	
Printing and stationery	-		83,499	
Advertising Expenses	55,137		36,962	
Directors' & Audit Committee fees	5,12,338		1,34,832	
Loss on sale of fixed assets (net)	5,873		-	
Donations	50,000		-	
Auditor's Remuneration	10,03,215		7,94,948	
Provision for Doubtful Debt	-		75,46,963	
Miscellaneous expenses	69,521	85,10,206	61,907	1,56,96,438
		85,10,206.41		1,56,96,438



Note 22: 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
	IL&FS Trust Company Limited	ITCL
Fellow Subsidiaries:	IL&FS Securities Services Limited	ISSL
	Elsamex India Pvt Ltd	ELSAMEX
	Charminar Robopark Limited	CRL
Directors and Key Managerial Personnel	Mr. P. M. Reddy - Manager	
	Mr. Mukund Sarge	
	Mr. Avinash Bagul	
	Mr. Cherian George	
	Mr. Pradeep Puri	
	Mr. Manu Kochhar	
	Mrs. Varsha Sawant	
	Mr. Vijay Kini	
	Mr. Dilip Solanki - CFO	
	Mrs. Anwara Kadu - CS	

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

Account head	Name of Entity	31-Mar-16	31-Mar-15
Balances:			
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	57,05,702	2,98,73,319
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	1,09,17,524	1,09,65,803
Sundry Creditors- Interest Payable	Infrastructure Leasing & Financial Services Ltd	98,75,148	98,75,147
Advances Given / Taken	Elsamex	-	-
Transactions:			
Operation & Maintenance Fees	IL&FS Transportation Networks Limited	7,87,60,788	7,50,10,272
Guarantee Commission	IL&FS Transportation Networks Limited	66,32,776	93,46,075
Mobilisation advance - Overlay Given	IL&FS Transportation Networks Limited	-	5,55,89,152
Mobilisation advance - Overlay Recovered	IL&FS Transportation Networks Limited	5,55,89,152	-
Overlay Activities	IL&FS Transportation Networks Limited	45,29,90,402	2,91,09,600
Deputation Cost	IL&FS Transportation Networks Limited	13,20,681	13,45,980
Share Capital	IL&FS Trust Company Limited C/o ITNL Road Investments Trust (IRIT)	-	-
Interest on Sub Debt	Infrastructure Leasing & Financial Services Ltd	12,95,44,954	12,91,91,004
Interest Received	Infrastructure Leasing & Financial Services Ltd	12,95,44,944	12,91,90,998
Professional Fees	IL&FS Securities Services Limited	17,775	17,454
Advances Given / Taken	Elsamex India Pvt Ltd	-	10,00,000
Director's Sitting Fees	Mukund Sarge	-	22,472
Director's Sitting Fees	Avinash Bagul	-	5,618
Director's Sitting Fees	Cherian George	1,25,222	44,944
Director's Sitting Fees	Pradeep Puri	-	22,472
Director's Sitting Fees	Paresh Shah	1,13,772	-
Director's Sitting Fees	Rupak Ghosh	1,25,222	-
Director's Sitting Fees	Manu Kochhar	34,250	22,472
Director's Sitting Fees	Sreejith Narayanan	11,450	-
Director's Sitting Fees	Varsha Sawant	45,486	5,618
Director's Sitting Fees	Dilip Bhatia	11,450	-
Director's Sitting Fees	Vijay Kini	45,486	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



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.

(B) Defined-benefit plans:

The Company offers its employee gratuity (a lump sum amount). Amounts payable under gratuity are based on years of service rendered and the employee's eligible compensation (immediately before retirement)

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

Particulars	As at March 31, 2016	As at March 31, 2015
Present value of commitment		
Fair value of plans		
Unrecognised past service cost		
Payable / (Prepaid) amount taken to the balance sheet	-	-

Defined benefit commitments:

Gratuity	As at March 31, 2016	As at March 31, 2015
Opening balance		
Excess provision written back		
Interest cost		
Current service cost		
Benefits paid		
Actuarial (gain) / loss		
Transferred from / to other company		
Closing balance	-	-

Plan Assets:

Gratuity	As at March 31, 2016	As at March 31, 2015
Opening balance		
Expected return on plan assets		
Contributions by the Company / Group		
Benefits paid		
Transferred from / to other company		

Return on Plan Assets:

Gratuity	For the Year ended March 31, 2016	For the Year ended March 31, 2015
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, 2016

Gratuity	For the Year ended March 31, 2016	For the Year ended March 31, 2015
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, 2016		For the Year ended March 31, 2015	
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)	0			
	As at March 31, 2016	As at March 31, 2015	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				



Notes forming part of the Financial Statements for the Year ended March 31, 2016

Note 24: Earnings per share

Particulars	Unit	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit after tax		10,17,08,991	9,10,89,965
Profit transfer to Debenture redemption reserve		10,17,08,991	9,10,89,965
Profit available for Equity Shareholders		-	-
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		-	-
Equity shares used to compute diluted earnings per share	Numbers	3,37,00,060	3,37,00,060
Diluted Earnings per share		-	-

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 back 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:

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 27, 2016



For and on behalf of the Board

[Signature]
Director

[Signature]
Director

[Signature]
CFO

[Signature]
Company Secretary/ Manager