

Independent Auditor's Report

To
The Members,
OB INFRASTRUCTURE LIMITED,

We have audited the accompanying financial statements of **OB INFRASTRUCTURE LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the fraud 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 the matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion

on whether the Company has in place an adequate internal financial controls system over financial reporting and other operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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 financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, and its loss 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 Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, 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) According to the information and explanations given to us and in our opinion, there are no financial transactions or matters which have any adverse effect on the functioning of the Company;
 - f) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of sub-section (2) of Section 164 of the Act.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, to the best of our

information and according to the explanations given to us and in our opinion:

- i. There were no pending litigations which would impact the financial position of the Company.
- ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

M Bhaskara Rao & Co
Chartered Accountants
Firm Registration Number: 000459S


V K Muralidhar
Partner
Membership Number: 201570

Hyderabad, April 30, 2015

OB INFRASTRUCTURE LIMITED

STATEMENT REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE

- i. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The management has conducted physical verification of major fixed assets during the year and as explained to us, no material discrepancies have been noticed on such verification.
- ii. In respect of its inventories, the company does not hold any inventories. Accordingly, the provisions of clause 3 (ii) (a), (b) and (c) of the Order are not applicable to the company.
- iii. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Hence the provisions of clauses iii (a) and (b) of the Order are not applicable to the company.
- iv. According to the information and explanations given to us and in our opinion, there are adequate internal control systems commensurate with the size of the Company and nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. According to the information and explanations given to us, the Company has not accepted deposits from the public under the provisions of Section 73 and Section 74 of the Companies Act, 2013 and the rules framed there under. Therefore, the provisions of clause 3(v) of the Order are not applicable.
- vi. According to the information and explanations given to us and in our opinion, on the basis of records produced to us, prima facie, the cost records and accounts prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 have been maintained. However, we are not required to and not carried out any detailed examinations of such accounts and records.
- vii.
 - a) The Company has been regular in depositing undisputed applicable statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. The provisions of Investor Education and Protection Fund are not applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess were in arrears, as at 31st March 2015 for a period of more than six months from the date they became payable.
 - b) According to the information and explanation given to us, there are no dues of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess which have not been deposited on account of any dispute.



- viii. The Company does not have accumulated losses of the Company as at 31st March 2015. The Company has not incurred cash losses during the year covered by the report and in the financial year immediately preceding the financial year.
- ix. According to the information and explanations given to us and in our opinion, as at March 31, 2015, the Company has not defaulted in repayments of dues to debenture holders. The company has not raised any loans from financial institutions / banks.
- x. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from Banks or Financial Institutions.
- xi. According to the information and explanations given to us and in our opinion, the term loans has not raised any term loans.
- xii. During the course of our examinations of the books and records of the Company carried out in accordance with the generally accepted practices in India and accordance to the information and explanations given to us, no instance of fraud on or by the Company was noticed or reported during the year, nor have we been informed of such case by the management.

For M Bhaskara Rao & Co.
Chartered Accountants

Firm's Registration Number: 000 459 S

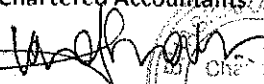
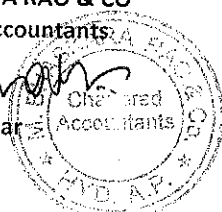
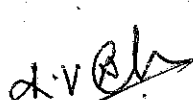



V K Muralidhar

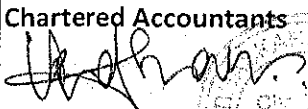



Membership Number: 201570

Hyderabad April 30, 2015

OB INFRASTRUCTURE LIMITED
BALANCE SHEET AS AT MARCH 31, 2015

Particulars	Note No	As At March 31, 2015 Rupees	As At March 31, 2014 Rupees
<u>EQUITY AND LIABILITIES</u>			
Shareholders' funds			
Share capital	3	147,573,310	147,573,310
Reserves and surplus	4	1,264,542,159	1,264,796,375
		1,412,115,469	1,412,369,685
Non-Current Liabilities			
Long-term borrowings	5	2,712,000,000	2,978,000,000
Other Long Term Liabilities	6	13,041,679	16,100,942
Long Term Provisions	7	105,039,995	90,335,995
		2,830,081,674	3,084,436,937
Current liabilities			
Trade Payables	8	8,007,476	4,129,816
Other current liabilities	9	303,294,176	279,001,021
Short Term Provisions	10	100,000,000	-
		411,301,652	283,130,837
		4,653,498,795	4,779,937,459
<u>ASSETS</u>			
Non current assets			
Fixed assets	11		
- Tangible assets		1,989,322	2,946,731
- Intangible assets		3,616,588,041	3,999,135,443
- Capital Work In Progress			7,995,310
Long term loans and advances	12	4,065,049	4,386,601
Other Non- Current Assets	13	35,545,306	35,214,271
		3,658,187,717	4,049,678,356
Current assets			
Current Investments	14	561,725,633	300,020,653
Cash and cash equivalents	15	41,613,111	35,493,289
Short Term Loans and Advances	16	592,038	3,303,345
Other Current Assets	17	391,380,296	391,441,816
		995,311,078	730,259,103
		4,653,498,795	4,779,937,459
Corporate information and significant accounting policies	1 & 2		
As per our report of even date attached			
M. BHASKARA RAO & CO Chartered Accountants  V K Muralidhar Partner 		For and on behalf of the Board  Director  Director	
Place: Hyderabad Date: 30.04.2015			

OB INFRASTRUCTURE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	Note No.	Year ended March 31, 2015	Year ended March 31, 2014
<u>INCOME</u>			
Revenue from Operations	18	895,711,000	889,943,880
Other Income	19	2,697,879	8,744,259
Profit on Sale of Investments		23,590,614	1,120,654
Total Revenue-A		921,999,493	899,808,793
<u>EXPENSES</u>			
Employee Benefits Expense	20	9,019,302	7,719,018
Finance Cost	21	346,091,052	407,300,215
Depreciation & Amortization expense	22	399,289,816	396,746,742
Other expenses	23	167,732,786	167,574,154
Total Expenses-B		922,132,956	979,340,129
Profit/(Loss) before tax (A-B)		(133,462)	(79,531,337)
Tax Expense			
a. Current Tax		-	-
b. Prior period Tax		-	-
c. Deferred Tax		-	-
Profit/(Loss) for the year		(133,462)	(79,531,337)
Earnings per Equity share of Rs.10/- each fully paid	29		
Basic		(0.01)	(5.39)
Diluted		(0.01)	(5.39)
Corporate information and significant accounting policies	1 & 2		
As per our report of even date attached			
M. BHASKARA RAO & CO Chartered Accountants  V K Muralidhar Partner 		For and on behalf of the Board  Director  Director	
Place: Hyderabad Date: 30.04.2015			

OB INFRASTRUCTURE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	Year ended March 31, 2015	Year ended March 31, 2014
Cash Flow from Operating Activities:		
Net Profit before Tax	(133,462)	(79,531,337)
Adjustment for:		
Other income	(2,697,879)	(3,394,996)
Dividend from Mutual Funds	-	(5,349,263)
Profit on sale on Investment	(23,590,614)	(1,120,654)
Non Cash adjustments		
Depreciation	399,289,816	396,746,742
Interest and Financial Charges	346,091,052	407,295,841
Provision for diminution in value of Investments	-	-
Operating Profit before Working Capital Changes	718,958,912	714,646,333
Movements in Working Capital :		
Increase/(decrease) in long term provisions	14,704,000	90,225,574
Increase/(decrease) in short term provisions	100,000,000	-
Increase/(decrease) in other long term liabilities	(3,059,263)	500,232
Increase/(decrease) in other current liabilities	(2,473,435)	(38,890,339)
Decrease/(increase) in long term loans and advances	321,552	393,274
Decrease/(increase) in other non current assets	(331,035)	1,657,511
Decrease/(increase) in short term loans and advances	2,711,307	32,430,465
Decrease/(increase) in Trade payables	3,877,660	(21,310,896)
Decrease/(increase) in Other Current Assets	61,520	(511,816)
Cash generated from Operations	834,771,218	779,140,338
Income Tax Paid	-	-
Net Cash from Operating activities: (A)	834,771,218	779,140,338
Cash Flow from Investing Activities:		
Capital Expenditure on Fixed Assets including capital work in progress	(7,910,450)	(10,620,625)
Dividend from Mutual Funds	-	5,349,263
Investment in Mutual Funds	(261,704,980)	(289,762,253)
Proceeds from Dividend Income	2,697,879	3,394,996
Interest Income on Bank Deposits	23,590,614	1,120,654
Net Cash from Investing activities (B)	(243,326,937)	(290,517,965)
Cash Flow from Financing Activities:		
Proceeds from Long Term Borrowings	-	3,340,000,000
Repayment of Long Term Borrowings	(238,000,000)	(3,412,000,000)
Interest Paid	(347,324,459)	(424,108,021)
Net Cash used in Financing activities (C)	(585,324,459)	(496,108,021)
Net change in Cash and Cash Equivalents (A+B+C)	6,119,822	(7,485,648)
Cash and Cash Equivalents as at 1st April 2014 (Opening Balance)	35,493,289	42,978,937
Cash and Cash Equivalents as at 31st Mar 2015(Closing Balance)	41,613,111	35,493,289
NET CASHFLOW	6,119,822	(7,485,648)

Note: 1) The Cash Flow Statement is prepared in accordance with the indirect Method stated in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities.
2) Cash and Cash Equivalents comprises of cash and bank balances.
3) Cash and Cash Equivalents as on 31.03.2014 includes Rs.3,06,76,626/- not available for use by the company (Refer Note No. 23)
4) Figures in bracket represent cash outflows.
5) Notes on accounts stated are an integral part of Cash Flow Statement

As per our report of even date attached
for M.Bhaskara Rao & Co.
Chartered Accountants

Partner
Place : Hyderabad
Date: 30.04.2015

For and on behalf of the Board

[Signature]
Director

[Signature]
Director

OB INFRASTRUCTURE LIMITED

Notes to the Financial Statements for the year ended March 31, 2015

1. Corporate Information

1. The company is a Special Purpose Vehicle incorporated for execution of the project "Design, Engineering, Construction, Development, Finance, Operation and Maintenance of KM 220.00 to KM 255.00 on ORAI – Bhognipur Section of NH-25 and KM 421.20 to KM 449.00 on Bhognipur-Barah section of NH-2 in the State of Uttar Pradesh on Build Operate and Transfer(Annuity) basis under the Concession Agreement dated April 27, 2006 with National Highways Authority of India. The Concession Agreement is for a period of Seventeen years and Six months from October 27, 2006, the Commencement date stated in clause "3.1" of the said agreement. The Company received Provisional Commercial Operations Certificate on 11.07.2011.

2) Significant Accounting Policies**a) Basis of preparation of financial statements**

The financial statements have been prepared on accrual basis under historical cost convention in accordance with the Generally Accepted Accounting Principles in India to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 which continues to be applicable under Companies Act, 2013 and other applicable provisions of Companies Act, 2013. The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

b) Use of Estimates :

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. The cost of fixed asset include interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such assets beyond its previously assessed standards of performance. Depreciation upto March 31, 2014 was provided on Straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956 and from April, 2014 onwards in accordance with methods and useful lives stated in Schedule II to the Companies Act, 2013.

d) Intangible Assets and Amortization

Carriageways represents right to receive annuity in relation to the road project, which has been accounted at the cost incurred on the project activity towards reconstruction strengthening, widening, rehabilitation of the roads on Build Operate and Transfer basis less accumulated amortization and impairment losses, if any. It includes all direct material, labour and subcontracting costs, inward freight, duties, taxes, borrowing cost up to date of commercial operations and any directly attributable expenditure on making the commercial right ready for its intended use.

The cost of Carriageway is amortized on straight line basis over the Concession period from the date of Commercial Operation.

e) Borrowing Costs

Borrowing Costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time i.e., more than 12 months to get ready for its intended use. All other borrowing costs are charged to revenue.

f) Investments

Investments are classified as long term and current investments. Long term investments are carried at cost less provision for other temporary diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

g) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

(a) Annuity Income is recognized on accrual basis in accordance with the provisions of the Concession Agreement entered into with the National Highway Authority of India

(b) Interest Income is recognized on accrual basis

OB'INFRASTRUCTURE LIMITED

Notes to the Financial Statements for the year ended March 31, 2015

h) Employee Benefits:

Liability for employee benefits both Short Term and Long Term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standards (AS) – 15 "Employee Benefits" notified by the Companies (Accounting Standards) Rules, 2006.

i) **Gratuity:** In accordance with the payment of Gratuity Act, 1972 the company provides for gratuity covering eligible employees (a defined benefit plan). Liability on account of gratuity is provided on the basis of valuation of liability by an independent actuary as at the year end.

ii) **Provident Fund:** Contributions to Provident Fund (a defined contribution plan) made to Regional Provident Fund Commissioner are recognized as expense.

iii) **Compensated Absences:** Liability for compensated absence is treated as a long term liability and is provided on the basis of valuation of liability by an independent actuary as at the year end.

j) Taxes

i) **Current Tax:** Provision for Current Tax is made based on taxable income computed for the year under the Income Tax Act, 1961.

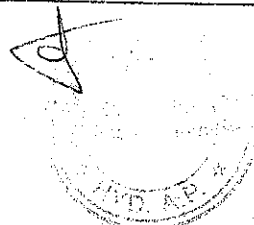
ii) **Deferred Taxes:** The Company is entitled for deduction of profits U/s 80IA of the Income Tax Act for 10 (ten) consecutive years. In accordance with the Accounting Standard Interpretation the company recognizes deferred tax to the extent of timing differences that reverses after the tax holiday period.

k) Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS-20), Earnings per Share notified by the Company's (Accounting Standards) Rules 2006. Basic Earnings per Equity Share is computed by dividing the Net Profit for the year attributable to the Equity Shareholders by the Weighted Average Number of Equity Shares outstanding during the year. Diluted Earnings per Share is computed by dividing the Net Profit for the year, adjusted for the effects of dilutive potential Equity Shares, attributable to the Equity Share holders by the Weighted Average Number of the Equity Shares and dilutive potential equity shares outstanding during the year except where the results are anti dilutive.

l) Provisions, Contingent Liabilities & Contingent Assets

The company recognizes provisions when there is present obligation as a result of past event and is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for contingent liabilities is made in the notes on accounts when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statements.



OB INFRASTRUCTURE LIMITED

Notes to the Financial Statements for the year ended March 31, 2015

3) Share Capital	As at March 31, 2015		As at March 31, 2014	
	No of Shares	Amount(Rs.)	No of Shares	Amount(Rs.)
Authorised Shares				
Equity Shares of Rs.10 each	14,757,500	147,575,000	14,757,500	147,575,000
Issued, Subscribed and fully paid up shares:				
Equity shares of Rs. 10 each	14,757,331	147,573,310	14,757,331	147,573,310
Total Issued, Subscribed and fully paid up shares	14,757,331	147,573,310	14,757,331	147,573,310

3.a) Reconciliation of the shares outstanding:

	As at March 31, 2015		As at March 31, 2014	
	No of Shares	Amount(Rs.)	No of Shares	Amount(Rs.)
At the beginning of the year	14,757,331	147,573,310	14,757,331	147,573,310
Issued during the Year	-	-	-	-
Outstanding at the end of the Year	14,757,331	147,573,310	14,757,331	147,573,310

3.b) Rights, preferences and restrictions attached to equity shares

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

As per the Common Terms Agreement entered into with the lenders, the Dividend is payable only after the commencement of the repayment of project loans, provided there is no event of default under the financing document; all reserves including Debt Service Reserve Account (DSRA) and major maintenance reserve are funded adequately.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive surplus from sale of assets after setting off of the liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.c) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at March 31, 2015		As at March 31, 2014	
	No of Shares	Amount(Rs.)	No of Shares	Amount(Rs.)
NCC Limited (Holding Company)	7,548,281	75,482,810	7,548,281	75,482,810
NCC Infrastructure Holdings limited (Wholly owned Subsidiary of Holding Company)	1,900,000	19,000,000	1,900,000	19,000,000
	9,448,281	94,482,810	9,448,281	94,482,810

3.d) Details of shareholders holding more than 5% shares in the company

	As at March 31, 2015		As at March 31, 2014	
	No of Shares	% of Holding	No of Shares	% of Holding
NCC Limited	7,548,281	51.15%	7,548,281	51.15%
NCC Infrastructure Holdings Limited	1,900,000	12.87%	1,900,000	12.87%
KMC Infratech Limited	5,309,050	35.98%	5,309,050	35.98%

OB INFRASTRUCTURE LIMITED

Notes to the Financial Statements for the year ended March 31, 2015

4) Reserves and Surplus

	As at March 31, 2015 (Rs.)	As at March 31, 2014 (Rs.)
a) Securities Premium Account		
Opening Balance	1,314,614,790	1,314,614,790
Additions during the year	-	-
Closing Balance	1,314,614,790	1,314,614,790
b) Surplus/(deficit) in the Statement of Profit and Loss		
Opening Balance	(49,818,414)	29,712,923
Add: Profit/ (loss) for the Year	(133,462)	(79,531,337)
Less: Depreciation adjustment pursuant to Companies Act, 2013	(120,755)	-
Net Surplus in the Statement of Profit and Loss	(50,072,631)	(49,818,414)
Total of Reserves and Surplus	(a+b)	
	1,264,542,159	1,264,796,376

5) Long Term Borrowings

	As at March 31, 2015		As at March 31, 2014	
	Non-Current (Rs.)	Current (Rs.)	Non-Current (Rs.)	Current (Rs.)
Secured:				
a) Debentures:				
a) 17,280 (previous year 18,760) Series 'A' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of Rs. 1,00,000 each	1,582,000,000	146,000,000	1,728,000,000	148,000,000
b) 5,000 (previous year 5,000) Series 'B' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of Rs. 1,00,000 each	400,000,000	100,000,000	500,000,000	-
c) 7,500 (previous year 8,400) Series 'C' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of Rs. 1,00,000 each	730,000,000	20,000,000	750,000,000	90,000,000
	2,712,000,000	266,000,000	2,978,000,000	238,000,000
Less : Amount showed under "Other Current Liabilities (Refer Note No.10)	-	266,000,000	-	238,000,000
Total	2,712,000,000	-	2,978,000,000	-

5.1 Debentures

Secured, Rated, Listed, Redeemable Non Convertible Debentures

During February 2014, the company issued 20,000 Series 'A' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of Rs. 1,00,000 each amounting to Rs. 200 Crores; 5,000 Series 'B' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of Rs. 1,00,000 each amounting to Rs. 50 Crores and 8,400 Series 'C' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of Rs. 1,00,000 each amounting to Rs. 84 Crores to L&T Infra Finance Limited. Aggregate value of debentures issued was Rs. 334 Crores.

a) Interest

The interest rate payable on the debentures depends upon the 'Rating' by rating agency and in accordance with Clause 3.1 of the Debenture Trust Deed entered between the Company and IDBI Trusteeship Services Limited, being the Debenture Trustee. Present applicable interest rate is as follows:-

Series 'A' Debentures - 10.90 % p.a. payable monthly.

Series 'B' Debentures - 11.50 % p.a. payable monthly.

Series 'C' Debentures - 11.50 % p.a. payable monthly.

b) Security

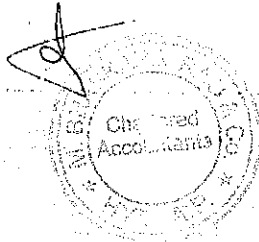
- 1) First pari passu charge on all the Company's tangible movable assets including vehicles both present and future save and except the Project Assets
- 2) First pari passu charge on all the Intangible assets of the Company.
- 3) First pari passu charge over all accounts of the Company including Debt Service Reserve Account (DSRA), Escrow account and the subaccounts and all the funds from time to time deposited therein.
- 4) First pari passu charge over all receivables and all Authorised Investments or other securities including receivables from NHA of the Project, whatsoever nature both present and future subject to the provisions of the Transaction Documents.
- 5) Assignment by way of security, in :
 - i) All the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Project Agreements;
 - ii) All the rights, title and interest of the Company in, to and all the Clearances;
 - iii) All the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letters of credit, guarantees, liquidated damages and performance bonds provided by any party to the Project Agreements;
 - iv) All the rights, title, interest, benefits, claims and demands whatsoever of the Company under all insurance contracts;
- 6) A pledge on 51% of the issued, paid up and voting equity share capital of the Company held by the promoters in the Company.

OB INFRASTRUCTURE LIMITED

Notes to the Financial Statements for the year ended March 31, 2015

c) Redemption Schedule

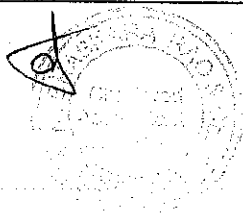
Date of Installments	Series 'A'	Series 'B'	Series 'C'	(In Rupees)
				Total
15.06.2022 & 15.12.2022	-	-	106,000,000	106,000,000
15.06.2021 & 15.12.2021	156,000,000	-	348,000,000	504,000,000
15.06.2020 & 15.12.2020	300,000,000	-	198,000,000	498,000,000
15.06.2019 & 15.12.2019	320,000,000	100,000,000	40,000,000	460,000,000
15.06.2018 & 15.12.2018	408,000,000	-	10,000,000	418,000,000
15.06.2017 & 15.12.2017	222,000,000	150,000,000	8,000,000	380,000,000
15.06.2016 & 15.12.2016	176,000,000	150,000,000	20,000,000	346,000,000
15.06.2015 & 15.12.2015	146,000,000	100,000,000	20,000,000	266,000,000
15.06.2014 & 15.12.2014	148,000,000	-	90,000,000	238,000,000
21.02.2014	124,000,000	-	-	124,000,000



OB Infrastructure Limited

Notes to the Financial Statements for the year ended March 31, 2015

	As at March 31, 2015 (Rs.)	As at March 31, 2014 (Rs.)
6. Other Long Term Liabilities		
Retention Money Payable (including to related parties - Refer Note 28)	13,041,679	16,100,942
	13,041,679	16,100,942
7. Long Term Provisions		
Provision for Employee Benefits		
Gratuity	645,000	345,000
Leave Encashment	162,000	158,000
Others:		
Provision for Major Maintenance	104,232,995	89,832,995
	105,039,995	90,335,995
8. Trade Payables		
Other than Acceptances	8,007,476	4,129,816
	8,007,476	4,129,816
9. Other Current Liabilities		
Current Maturities of Long Term Borrowings(Refer Note 5)	266,000,000	238,000,000
Interest accrued but not due on borrowings	15,467,764	16,701,172
Other Payables :		
Statutory Remittances (Withholding Taxes, WCT, Cess)	8,038,282	10,788,496
Payables to EPC Contractors	601,675	601,675
Independent Consultant Fee Payable to NHAI	13,186,455	12,909,678
	303,294,176	279,001,021
10. Short Term Provisions		
Provision for Major Maintenance	100,000,000	-
	100,000,000	-



OB INFRASTRUCTURE LIMITED

Notes to Financial Statements for the year ended March 31, 2015

Note No:11

Fixed Assets	Gross Block (at cost)				Depreciation/Amortisation				Amount (Rupees)	
	As on April 01, 2014	Additions during the year	Adjustments during the year	As on March 31, 2015	Upto April 01, 2014	Deductions/a djustments	Depreciation charge during the year	Upto March 31, 2015	As on March 31, 2015	As on March 31, 2014
a) Tangible Assets										
Plant and Machinery	1,499,736	-	-	1,499,736	266,689	-	108,339	375,028	1,124,708	1,233,047
Office Equipment	952,195	50,590	-	1,002,785	639,667	120,755	85,446	845,868	156,917	312,528
Furniture and Fixtures	136,748	-	-	136,748	128,835	-	3,468	132,303	4,444	7,913
Office Vehicles	3,590,211	-	-	3,590,211	2,196,968	-	689,990	2,886,958	703,253	1,393,243
	6,178,890	50,590	-	6,229,480	3,232,158	120,755	887,244	4,240,157	1,989,322	2,946,731
As at 31.03.2014	6,574,321	145,425	(540,856)	6,178,890	2,764,153	-	468,006	3,232,158	2,946,731	3,810,168
b) Intangible Assets										
Carriageway	5,880,577,682	15,855,170	-	5,896,432,852	1,881,442,239	-	398,402,572	2,279,844,811	3,616,588,041	3,999,135,443
	5,880,577,682	15,855,170	-	5,896,432,852	1,881,442,239	-	398,402,572	2,279,844,811	3,616,588,041	3,999,135,443
As at 31.03.2014	5,877,556,936	2,443,090	577,656	5,880,577,682	1,485,163,503	-	396,278,736	1,881,442,239	3,999,135,443	4,392,393,433
C) Capital Work in Progress										
	7,995,310	7,859,860	15,855,170	-	-	-	-	-	-	7,995,310
	-	7,995,310	-	7,995,310	-	-	-	-	7,995,310	-

OB INFRASTRUCTURE LIMITED

Notes to the Financial Statements for the year ended March 31, 2015

	As at March 31, 2015 (Rs.)	As at March 31, 2014 (Rs.)
12. Long Term Loans and Advances		
(Unsecured, considered good)		
Advance to Subcontractors	3,646,549	3,968,101
Deposit Others	418,500	418,500
	4,065,049	4,386,601
13. Other Non Current Assets		
Receivables from NHAI (Other than Annuity) towards:		
a) Reimbursement of Project related Expenses	3,500,000	3,500,000
b) Retention Money	2,593,928	2,593,928
c) Reimbursement of Sales Tax	1,990,062	1,990,062
Advance Tax and Tax Deducted at Source (Net of provision for tax) Rs. 15,670,082/- (As on 31.03.2014 Rs. 15,670,082)	27,461,316	27,130,281
	35,545,306	35,214,271
14. Current Investments		
Investments in Mutual Funds - Quoted		
Units in L&T Mutual Fund - Debt Funds	395,000,000	220,000,000
(Investments held pursuant to the provisions of Debenture Trust Deed to meet Debt Service Reserve Account (DSRA) Rs. 15 Crores and Major Maintenance Reserve Rs.24.50 Crores)		
Units in L&T Mutual Fund - Liquid Funds - Daily Dividend Scheme	166,725,633	80,020,653
	561,725,633	300,020,653
15. Cash and Bank Balances		
Cash and cash equivalents:		
Cash on Hand	166,573	3,181
Balances with banks		
- In Current Account	8,408,109	4,890,108
Fixed Deposit with IDBI Bank Ltd (Refer Note: 24)	33,038,429	30,600,000
	41,613,111	35,493,289
16. Short Term Loans and Advances		
(Unsecured, considered good)		
Loans and advances to Employees	60,000	115,376
Prepaid Expenses	496,938	848,841
Advances Recoverable in cash or kind or value to be received	35,100	2,339,128
	592,038	3,303,345
17. Other Current Assets		
Unbilled Revenue - Annuity Accrued	390,930,000	390,930,000
Interest accrued on deposit	450,296	511,816
	391,380,296	391,441,816



OB INFRASTRUCTURE LIMITED

Notes to the Financial Statements for the year ended March 31, 2015

	March 31,2015 (Rs.)	March 31,2014 (Rs.)
18. REVENUE FROM OPERATIONS		
Annuity from NHAI	895,711,000	889,943,880
	895,711,000	889,943,880
19. OTHER INCOME		
Interest income On Bank deposits	2,697,879	511,816
Interest received on IT refund	-	2,883,180
Dividend received on Units in Mutual funds	-	5,349,263
	2,697,879	8,744,259
20. EMPLOYEE BENEFITS		
Salaries, Wages & Other allowances	8,341,522	7,171,467
Contribution to Provident funds	367,868	219,378
Staff welfare expenses	309,912	328,173
	9,019,302	7,719,018
21. FINANCE COST		
Interest on Secured Loans	344,182,146	377,350,880
Upfront Fee & Other Finance charges	1,550,568	29,877,625
Commission on Bank Gurantee provided through NCC Ltd.	240,445	60,112
Interest on others	112,858	4,374
Bank Charges	5,035	7,224
	346,091,052	407,300,215
22. DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation on Tangible assets	887,244	468,006
Amortisation on Intangible assets	398,402,572	396,278,736
	399,289,816	396,746,742
23. OTHER EXPENSES		
Power & Fuel Charges	2,058,852	3,412,735
Rent	143,000	145,955
Repairs and Maintenance	8,860,603	9,687,756
Road Maintenance Expenses	16,969,279	35,752,800
Provision for Major Maintenance	114,400,000	89,832,995
Recoveries by NHAI	-	-
Insurance	2,475,256	2,065,628
Rates & Taxes	200,471	14,198
Professional charges	11,807,861	14,174,983
Auditors Remuneration	393,260	175,281
Travelling Expenses	3,924,475	5,242,982
Business Promotion Expenses	66,574	165,613
Office Maintenance	421,372	421,141
Advances Written off	216,618	1,693,421
Machinery Hire Charges	5,232,048	4,229,203
Miscellaneous Expenses	563,117	559,463
	167,732,786	167,574,154

OB INFRASTRUCTURE LIMITED
Notes to the Financial Statements for the year ended March 31, 2015
24. Contingencies and Commitments

	March 31, 2015 (Rs)	March 31, 2014 (Rs)
Contingent Liabilities not provided for		
Claims against the company not acknowledged as debt *	30,676,626	30,676,626
Commitments:		
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	-	117,743,064

* Claims against the company not acknowledged as debt represents claim by National Highway Authority of India (NHAI) towards certain operational non-compliances by the company. NHAI has written to the Company's ESCROW agent M/s IDBI Bank Limited to hold Rs.30,676,626 in ESCROW account pending recovery. The Company has represented to NHAI for releasing the amount kept on hold and is confident of a favourable decision by the NHAI.

25. Auditors Remuneration

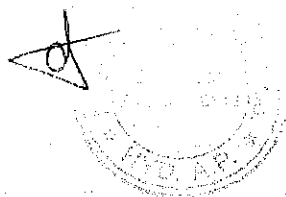
Payment to auditors comprises of :

	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
As auditors -statutory audit.	86,250	86,250
For taxation matters	28,750	28,750
Limited Review services*	180,000	21,250
For other services	55,000	40,500
Service Tax	43,260	19,781
Total	393,260	175,281

*(includes fee for 2013-14 Rs. 90,000/-)

26. Disclosure under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at year end together with interest paid/payable as required under the said Act, have not been given.



27. Employee Benefits

Liability for retiring gratuity as on March 31, 2015 is Rs.6,45,000 (March 31, 2014: 3,45,000) and included in provision for gratuity. The liability for cost of compensated absence is Rs. 16,200 (March 31, 2014: 15,800) and included in provision for leave encashment. These liabilities are unfunded and has been actuarially determined and provided for in books.

	Gratuity		Compensated Absence	
	March 31, 2015 (Rupees)	March 31, 2014 (Rupees)	March 31, 2015 (Rupees)	March 31, 2014 (Rupees)
Expenses recognised in Statement of Profit and Loss				
Current service cost	19,000	1,000	3,000	(25,000)
Interest cost	28,000	4,000	13,000	4,000
Settlement cost	(32,000)	-	(56,000)	(21,000)
Net actuarial (gain)/loss	254,000	316,000	44,000	144,000
Net benefit expense	269,000	321,000	4,000	102,000
Benefit asset/liability	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Present value of defined benefit obligation	645,000	345,000	16,200	15,800
Fair value of plan assets	-	-	-	-
Net asset/(liability)	645,000	345,000	16,200	15,800
The above Liability Classified as				
Long Term	645,000	345,000	16,200	15,800
Short Term	-	-	-	-
Change in present value of the defined benefit obligations	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Opening defined benefit obligation	345,000	55,000	158,000	56,000
Current service cost	19,000	1,000	3,000	(25,000)
Interest cost	28,000	4,000	13,000	4,000
Benefits paid	-	(32,000)	(56,000)	(21,000)
Actuarial (gains)/losses on obligation	254,000	316,000	44,000	144,000
Closing defined benefit obligation	646,000	344,000	162,000	158,000
Actuarial (gain)/loss recognized	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Actuarial (gain)/loss of obligation	254,000	316,000	44,000	144,000
Actuarial (gain)/loss of planned assets	-	-	-	-
Total (gain)/loss for the period	254,000	316,000	44,000	144,000
Actuarial (gain)/loss recognized	316,000	316,000	144,000	144,000
unrecognized actuarial (gain)/losses	-	-	-	-
Assumptions for gratuity and Leave encashment	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Discount rate	8%	8%	8%	8%
Rate of increase in compensation levels	5%	5%	5%	5%
Rate of return on plan assets	0	0	0	0
Expected average future service of employees	28	29	28	29

28) Related party transactions

a) List of related parties and relationship

Name of the Related party	Relationship
M/s. NCC Limited	Holding Company
M/s. NCC Infrastructure Holdings Limited	Wholly Owned Subsidiary of Holding Company
M/s.KMC Constructions Limited	Enterprises having Significant Influence
M/s.KMC Infratech Limited	Enterprises having Significant Influence

b) Related party transactions for the year ended March 31, 2015 are as follows

	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
Bank Guarantee commission debited by		
M/s.NCC Ltd	240,445	60,112
EPC Dues paid (Incurred in earlier years)		
M/s.NCC Ltd	-	12,380,088
M/s. NCC Ltds against EPC	-	42,802,908
M/s.KMC Constructions Limited	-	5,094,694
Management Fee Paid		
M/s. NCC Infrastructure Holdings Ltd (Including Service Tax)	4,084,512	5,393,280
Debit balances as at year end		
M/s.NCC Ltd	-	24,542
Credit balances as at year end		
M/s.NCC Ltd	8,669,064	8,669,064
M/s.NCC Ltd against BG reimbursement (net)	215,903	-
M/s.KMC Constructions Limited	4,974,282	4,974,282
M/s. NCC Infrastructure Holdings Ltd	1,637,760	808,992

OB INFRASTRUCTURE LIMITED**Notes to the Financial Statements for the year ended March 31, 2015****29) Earnings per share (EPS)**

	March 31, 2015		March 31, 2014	
	No of Shares	Amount(Rs.)	No of Shares	Amount(R)
Net Profit/(Loss) after tax available for equity shareholders		(133,462)		(79,531,337)
Weighted average no of equity shares for Basic EPS	14,757,331		14,757,331	
Weighted average no of equity shares for diluted EPS	14,757,331		14,757,331	
Face value per share		10		10
Basic EPS		(0.01)		(5.39)
Diluted EPS		(0.01)		(5.39)

30. Details of Provisions

Pursuant to the terms of Debenture Trust Deed and the Concession Agreement, the company is required to carry out the Major Maintenance of the Carriageway at specified peiodic intervals through the concession period. The cost of such maintenance for each such interval is estimated at the begining of such interval period and provided for in each Financial Year during that intervals. Details of such provision made up to 31.03.2014Sare:

Name of the Provision	Opening Balance as at 01.04.14	Provision during 2014 - 15	Closing Balance as at 31.03.14
	Rupees	Rupees	Rupees
Provision for Major Maintenance	89,832,995	114,400,000	204,232,995

31) The Company is primarily engaged in the business of operation and maintenance of toll road under BOT scheme. Hence, the quantitative details of sales and certain additional information as required under paragraphs 5(iii), (viii) (a), (b), (c), (d) and (e) of general instructions for preparation of the statement of profit and loss as per Schedule III to the Companies Act, 2013 do not arise in its case.

32) Disclosures in accordance with Clause 28 of the Company's Listing Agreement for Debt Securities with Bombay Stock Exchange Limited:

- | | |
|--|-----|
| 1) Loans and advances in the nature of loans to associates | Nil |
| 2) Loans and advances in the nature of loans where there is: | |
| (i) No repayment schedule or repayment is beyond 7 years | Nil |
| (ii) No interest or interest rate is below that under Section 186 of the Companies Act | Nil |
| 3) Loans and advances in the nature of loans to firms/Companies in which Directors of the Company are interested | Nil |

33) In the absence of profits the company has not created debenture redemption reserve. However, the company has deposited more than 15% of the debentures maturing during the year ending on March 31, 2016.

34) Previous figures have been recast/ restated to conform to the current period classification.

35) Figures have been rounded off to the nearest rupee.

For and on behalf of the Board

Place: Hyderabad

Date: 30.04.2015

Director

Director