

M.BHASKARA RAO & CO.
CHARTERED ACCOUNTANTS
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FAX: 040-23399248

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HYDERABAD-500 082, INDIA.
e-mail : mbr_co@mbrc.co.in

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF 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, 2016, 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. 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, 2016, and its losses and its cash flows for the year ended on that date.

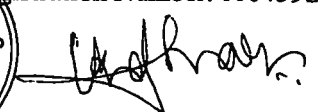
Report on Other Legal and Regulatory Requirements

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 Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the 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 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 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. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. 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 B'; and
 - 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 Auditor's) 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 litigations as on March 31, 2016 requiring disclosure in the financial statements.



- ii. the Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- 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, May 16, 2016

OB INFRASTRUCTURE LIMITED
BALANCE SHEET AS AT MARCH 31, 2016

Particulars	Note No	As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
<u>EQUITY AND LIABILITIES</u>			
Shareholders' funds			
Share capital	3	147,573,310	147,573,310
Reserves and surplus	4	1,236,239,040	1,264,542,159
		1,383,812,350	1,412,115,469
Non-Current Liabilities			
Long-term borrowings	5	2,366,000,000	2,712,000,000
Other Long Term Liabilites	6	19,960,616	13,041,679
Long Term Provisions	7	918,769	105,039,995
		2,386,879,385	2,830,081,674
Current liabilities			
Trade Payables	8	8,787,365	8,007,476
Other current liabilities	9	383,297,696	303,294,176
Short Term Provisions	10	274,710,129	100,000,000
		666,795,190	411,301,652
		4,437,486,925	4,653,498,795
<u>ASSETS</u>			
Non current assets			
Fixed assets			
- Tangible assets	11	3,152,778	1,989,322
- Intangible assets		3,218,404,885	3,616,588,041
Long term loans and advances	12	4,065,049	4,065,049
Other Non- Current Assets	13	53,691,047	35,545,306
		3,279,313,759	3,658,187,717
Current assets			
Current Investments	14	717,023,320	561,725,633
Cash and cash equivalents	15	43,056,682	41,613,111
Short Term Loans and Advances	16	6,728,940	592,038
Other Current Assets	17	391,364,224	391,380,296
		1,158,173,166	995,311,078
		4,437,486,925	4,653,498,795
Corporate information and significant accounting policies	1 & 2		

As per our Audit Report of even date attached

M. BHASKARA RAO & CO
Chartered Accountants

V K Muralidhar
V K Muralidhar
Partner



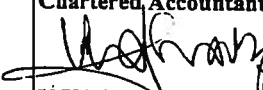
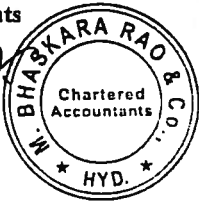




For and on behalf of the Board

A. V. R.
Director

[Signature]
Director

Place: Hyderabad
Date: 16.05.2016

OB INFRASTRUCTURE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Note No.	Year Ended March 31, 2016	Year Ended March 31, 2015
<u>INCOME</u>			
Revenue from Operations	18	896,400,000	895,711,000
Other Income	19	2,494,171	2,697,879
Profit on Sale of Investments		26,797,477	23,590,614
Total Revenue-A		925,691,648	921,999,493
<u>EXPENSES</u>			
Employee Benefits Expense	20	10,539,778	9,019,302
Finance Cost	21	317,349,418	346,091,052
Depreciation & Amortization expense	22	398,645,696	399,289,816
Other expenses	23	227,459,875	167,732,786
Total Expenses-B		953,994,767	922,132,956
Profit /(Loss) before tax (A-B)		(28,303,119)	(133,463)
Tax Expense			
a. Current Tax		-	-
b. Prior period Tax		-	-
c. Deferred Tax		-	-
Profit /(Loss) for the year		(28,303,119)	(133,463)
Earnings per Equity share of Rs.10/- each fully paid	29		
Basic		(1.92)	(0.001)
Diluted		(1.92)	(0.001)
Corporate information and significant accounting policies	1 & 2		
As per our Audit 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: 16.05.2016			

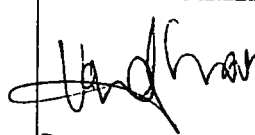

OB INFRASTRUCTURE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	Year ended March 31, 2016	Year ended March 31, 2015
Cash Flow from Operating Activities:		
Net Profit before Tax	(28,303,119)	(133,462)
Adjustment for:		
Other income	(2,494,171)	(2,697,879)
Profit on sale on Investment	(26,797,477)	(23,590,614)
Non Cash adjustments		
Depreciation	398,645,696	399,289,816
Interest and Financial Charges	317,349,418	346,091,052
Provision for diminution in value of Investments	-	-
Operating Profit before Working Capital Changes	658,400,347	718,958,912
Movements in Working Capital :		
Increase/(decrease) in long term provisions	(104,121,226)	14,704,000
Increase/(decrease) in short term provisions	174,710,129	100,000,000
Increase/(decrease) in other long term liabilities	6,918,937	(3,059,263)
Increase/(decrease) in other current liabilities	1,387,457	(2,473,435)
Decrease/(increase) in long term loans and advances	-	321,552
Decrease/(increase) in other non current assets	(18,145,741)	(331,035)
Decrease/(increase) in short term loans and advances	(6,136,902)	2,711,307
Decrease/(increase) in Trade payables	779,889	3,877,660
Decrease/(increase) in Other Current Assets	16,072	61,520
Cash generated from Operations	713,808,962	834,771,218
Income Tax Paid	-	-
Net Cash from Operating activities: (A)	713,808,962	834,771,218
Cash Flow from Investing Activities:		
Capital Expenditure on Fixed Assets including capital work in progress	(1,625,995)	(7,910,450)
Investment in Mutual Funds	(155,297,687)	(261,704,980)
Proceeds from Dividend Income	2,494,171	2,697,879
Interest Income on Bank Deposits	26,797,477	23,590,614
Net Cash from Investing activities (B)	(127,632,035)	(243,326,937)
Cash Flow from Financing Activities:		
Proceeds from Long Term Borrowings	-	-
Repayment of Long Term Borrowings	(266,000,000)	(238,000,000)
Interest Paid	(318,733,356)	(347,324,459)
Net Cash used in Financing activities (C)	(584,733,356)	(585,324,459)
Net change in Cash and Cash Equivalents (A+B+C)	1,443,571	6,119,822
Cash and Cash Equivalents as at 1st April 2015 (Opening Balance)	41,613,111	35,493,289
Cash and Cash Equivalents as at 31st March 2016(Closing Balance)	43,056,682	41,613,111
NET CASHFLOW	1,443,571	6,119,822

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 31.03.2016 includes Rs.3,06,76,626/- not available for use by the company (Refer Note No. 24)
4) Figures in bracket represent cash outflows.
5) Notes on accounts stated are an integral part of Cash Flow Statement

As per our Audit Report of even date attached

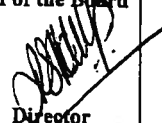
for M.Bhaskara Rao & Co.
Chartered Accountants

Partner
Place : Hyderabad
Date: 16.05.2016

For and on behalf of the Board


Director


Director

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OB INFRASTRUCTURE LIMITED

Notes to the Financial Statements for the year ended March 31, 2016

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 vide letter dated July 11, 2011 received Provisional Commercial Operations Certificate. As per the said letter Provisional Commercial Operation Date is effective from June 30, 2009

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 specified under Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). 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, 2016

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.

i) 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.

j) 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.

k) 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, 2016

3) Share Capital	As at March 31, 2016		As at March 31, 2015	
	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, 2016		As at March 31, 2015	
	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.

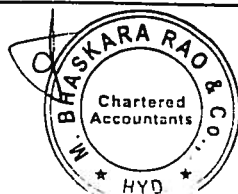
In the event of liquidation of the company, the holders of equity shares will be entitled to receive surplus from sale of assets after setting off of the liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As at March 31, 2016		As at March 31, 2015	
	No of Shares	Amount(Rs.)	No of Shares	Amount(Rs.)
NCC Limited (Holding Company)	600	6,000	7,548,281	75,482,810
NCC Infrastructure Holdings limited (Wholly owned Subsidiary of Holding Company)	9,447,681	94,476,810	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, 2016		As at March 31, 2015	
	No of Shares	% of Holding	No of Shares	% of Holding
NCC Limited	600	0.00%	7,548,281	51.15%
NCC Infrastructure Holdings Limited	9,447,681	64.02%	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, 2016

4) Reserves and Surplus

	As at March 31, 2016 (Rs.)	As at March 31, 2015 (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	(50,072,631)	(49,818,414)
Add: Profit/ (loss) for the Year	(28,303,119)	(133,462)
Less: Depreciation adjustment pursuant to Companies Act,2013	-	(120,755.00)
Net Surplus in the Statement of Profit and Loss	(78,375,750)	(50,072,631)
Total of Reserves and Surplus (a+b)	1,236,239,040	1,264,542,159

5) Long Term Borrowings

	As at March 31, 2016		As at March 31, 2015	
	Non-Current (Rs.)	Current (Rs.)	Non-Current (Rs.)	Current (Rs.)
Secured:				
a) Debentures:				
a) 15,820 (previous year 17,280) Series 'A' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of Rs. 1,00,000 each	1,406,000,000	176,000,000	1,582,000,000	146,000,000
b) 4,000 (previous year 5,000) Series 'B' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of Rs. 1,00,000 each	250,000,000	150,000,000	400,000,000	100,000,000
c) 7,300 (previous year 7,500) Series 'C' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of Rs. 1,00,000 each	710,000,000	20,000,000	730,000,000	20,000,000
	2,366,000,000	346,000,000	2,712,000,000	266,000,000
Less : Amount showed under "Other Current Liabilities (Refer Note No.9)	-	346,000,000	-	266,000,000
Total	2,366,000,000	-	2,712,000,000	-

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 Limied. 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 NHAI 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.

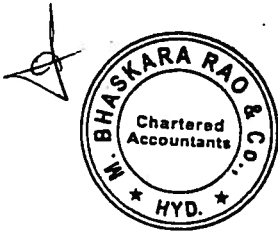


OB INFRASTRUCTURE LIMITED

Notes to the Financial Statements for the year ended March 31, 2016

c) Redemption Schedule

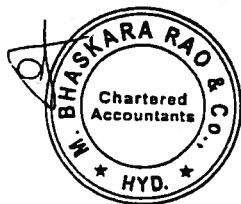
Date of Installments	Series 'A'	Series 'B'	Series 'C'	(In Rupees)
				Total
15.06.2022 & 15.12.2022	-	-	106,000,000	106,000,000
15.06.2021 & 15.12.2021	156,000,000	-	348,000,000	504,000,000
15.06.2020 & 15.12.2020	300,000,000	-	198,000,000	498,000,000
15.06.2019 & 15.12.2019	320,000,000	100,000,000	40,000,000	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, 2016

	As at March 31, 2016 (Rs.)	As at March 31, 2015 (Rs.)
6. Other Long Term Liabilities		
Retention Money Payable (including to related parties - Refer Note 28)	19,960,616	13,041,679
	19,960,616	13,041,679
7. Long Term Provisions		
Provision for Employee Benefits		
Gratuity	713,030	645,000
Leave Encashment	205,739	162,000
Others:		
Provision for Major Maintenance	-	104,232,995
	918,769	105,039,995
8. Trade Payables		
Other than Acceptances	8,787,365	8,007,476
	8,787,365	8,007,476
9. Other Current Liabilities		
Current Maturities of Long Term Borrowings(Refer Note 5)	346,000,000	266,000,000
Interest accrued but not due on borrowings	14,083,825	15,467,764
Other Payables :		
Statutory Remittances (Withholding Taxes, WCT, Cess)	8,531,603	8,038,282
Payables to EPC Contractors	601,675	601,675
Independent Consultant Fee Payable to NHAI	14,080,593	13,186,455
	383,297,696	303,294,176
10. Short Term Provisions		
Provision for Major Maintenance	274,710,129	100,000,000
	274,710,129	100,000,000



OB INFRASTRUCTURE LIMITED

Notes to Financial Statements for the year ended March 31, 2016

Note No:11

Fixed Assets	Gross Block (at cost)					Depreciation/Amortisation			Net Block	
	As on April 01, 2015	Additions during the year	Adjustments during the year	As on March 31, 2016	Upto April 01, 2015	Deductions/adjustments	Depreciation charge during the year	Upto March 31, 2016	As on March 31, 2016	As on March 31, 2015
	a) Tangible Assets									
Plant and Machinery	1,499,736	6,300	-	1,506,036	375,028	-	109,136	484,164	1,021,872	1,124,708
Office Equipment	1,002,785	57,990	-	1,060,775	845,868	-	65,091	910,959	149,816	156,917
Furniture and Fixtures	136,748	13,660	-	150,408	132,303	-	3,695	135,998	14,409	4,445
Office Vehicles	3,590,211	1,548,045	-	5,138,256	2,886,958	-	284,618	3,171,576	1,966,680	703,253
	<u>6,229,480</u>	<u>1,625,995</u>	-	<u>7,855,475</u>	<u>4,240,157</u>	-	<u>462,540</u>	<u>4,702,697</u>	<u>3,152,778</u>	<u>1,989,322</u>
As at 31.03.2015	6,178,890	50,590	-	6,229,480	3,232,158	120,755	887,244	4,240,157	1,989,322	2,946,732
b) Intangible Assets										
Carriageway	5,896,432,852	-	-	5,896,432,852	2,279,844,811	-	398,183,156	2,678,027,967	3,218,404,885	3,616,588,041
	<u>5,896,432,852</u>	-	-	<u>5,896,432,852</u>	<u>2,279,844,811</u>	-	<u>398,183,156</u>	<u>2,678,027,967</u>	<u>3,218,404,885</u>	<u>3,616,588,041</u>
As at 31.03.2015	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

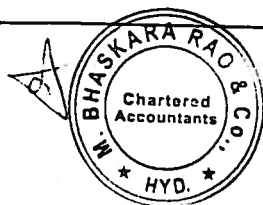
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OB INFRASTRUCTURE LIMITED

Notes to the Financial Statements for the year ended March 31, 2016

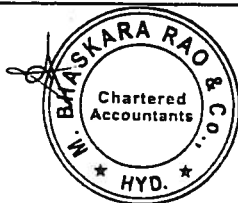
	As at March 31, 2016 (Rs.)	As at March 31, 2015 (Rs.)
12. Long Term Loans and Advances		
(Unsecured, considered good)		
Advance to Subcontractors	3,646,549	3,646,54
Deposit Others	418,500	418,50
	4,065,049	4,065,04
13. Other Non Current Assets		
Receivables from NHAI (Other than Annuity) towards:		
a) Reimbursement of Project related Expenses	3,500,000	3,500,00
b) Retention Money	2,593,928	2,593,92
c) Reimbursement of Sales Tax	1,954,152	1,990,06
Advance Tax and Tax Deducted at Source (Net of provision for tax) Rs. 15,670,082/- (As on 31.03.2015 Rs. 15,670,082/-)	45,642,967	27,461,31
	53,691,047	35,545,30
14. Current Investments		
Investments in Mutual Funds - Quoted		
Units in L&T Mutual Fund - Debt Funds	717,023,320	315,426,52
5,25,44,325.8312 Units (March 31,2015 2,56,58,014.9671 Units)		
(Includes 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.31.65 Crores)		
Units in L&T Mutual Fund - Liquid Funds - Daily Dividend Scheme NII Units (March 31,2015 2,06,448.6373 Units)	-	246,299,11
	717,023,320	561,725,63
15. Cash and Bank Balances		
Cash and cash equivalents:		
Cash on Hand	18,807	166,573
Balances with banks		
- In Current Account	7,738,619	8,408,105
Fixed Deposit with IDBI Bank Ltd (Refer Note: 24)	35,299,256	33,038,429
	43,056,682	41,613,111
16. Short Term Loans and Advances		
(Unsecured, considered good)		
Loans and advances to Employees	268,194	60,000
Prepaid Expenses	1,486,031	496,938
Advances Recoverable in cash or kind or value to be received	4,974,715	35,100
	6,728,940	592,038
17. Other Current Assets		
Unbilled Revenue - Annuity Accrued	390,930,000	390,930,000
Interest accrued on deposit	434,224	450,296
	391,364,224	391,380,296



OB INFRASTRUCTURE LIMITED

Notes to the Financial Statements for the year ended March 31, 2016

	Year ended March 31,2016 (Rs.)	Year ended March 31,2015 (Rs.)
18. REVENUE FROM OPERATIONS		
Annuity from NHAI	896,400,000	895,711,000
	896,400,000	895,711,000
19. OTHER INCOME		
Interest income On Bank deposits	2,494,171	2,697,879
	2,494,171	2,697,879
20. EMPLOYEE BENEFITS		
Salaries, Wages & Other allowances	9,674,430	8,341,522
Contribution to Provident funds	553,895	367,868
Staff welfare expenses	311,453	309,912
	10,539,778	9,019,302
21. FINANCE COST		
Interest on Secured Loans	316,770,928	344,182,146
Commission on Bank Gurantee provided through NCC Ltd.	472,241	240,445
Interest on others	95,335	112,858
Bank Charges	10,914	5,035
	317,349,418	346,091,052
22. DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation on Tangible assets	462,540	887,244
Amortisation on Intangible assets	398,183,156	398,402,572
	398,645,696	399,289,816
23. OTHER EXPENSES		
Power & Fuel Charges	2,400,940	2,058,852
Rent	44,200	143,000
Repairs and Maintenance	12,183,123	8,860,603
Road Maintenance Expenses	12,197,616	16,969,279
Provision for Major Maintenance	175,000,000	114,400,000
Insurance	2,325,081	2,475,256
Rates & Taxes	112,365	200,471
Professional charges	12,614,165	11,807,861
Auditors Remuneration	252,215	393,260
Travelling Expenses	3,209,670	3,924,475
Business Promotion Expenses	88,455	66,574
Office Maintenance	712,810	421,372
Machinery Hire Charges	5,797,640	5,232,048
Miscellaneous Expenses	521,595	563,117
	227,459,875	167,732,786



OB INFRASTRUCTURE LIMITED

Notes to the Financial Statements for the year ended March 31, 2016

24. Contingencies and Commitments

	March 31, 2016 (Rs)	March 31, 2015 (Rs)
Contingent Liabilities not provided for		
Claims against the company not acknowledged as debt *	30,676,626	30,676,626

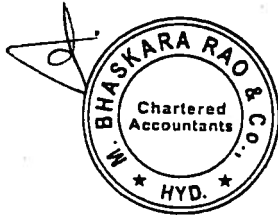
* Claims against the company not acknowledged as debt represents claim by National Highway Authority of India (NHAI) towards certain operational non-compliances by the company. NHAI has written to the Company's ESCROW agent M/s IDBI Bank Limited to hold Rs.30,676,626 in ESCROW account pending recovery. 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, 2016 (Rs)	March 31, 2015 (Rs)
Statutory Audit Fee	86,250	86,250
Tax Audit Fee	28,750	28,750
Limited Review Fee	90,000	180,000
For other services	15,000	55,000
Service Tax	32,215	43,260
Total	252,215	393,260

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, 2016 is Rs.7,12,030 (March 31, 2015: 6,45,000) and included in provision for gratuity. The liability for cost of compensated absence is Rs. 205,739 (March 31, 2015: 162,000) 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, 2016 (Rupees)	March 31, 2015 (Rupees)	March 31, 2016 (Rupees)	March 31, 2015 (Rupees)
Expenses recognised in Statement of Profit and Loss				
Current service cost				
Interest cost	82,000	19,000	110,804	3,000
Settlement cost	52,728	27,000	12,960	13,000
Net actuarial (gain)/loss	-	-	-	(56,000)
Net benefit expense	(67,698)	254,000	(80,025)	44,000
Benefit asset/liability	67,030	300,000	43,739	4,000
Present value of defined benefit obligation	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Fair value of plan assets	712,030	645,000	205,739	162,000
Net asset/(liability)	-	-	-	-
The above Liability Classified as	712,030	645,000	205,739	162,000
Long Term				
Short Term	712,030	645,000	205,739	162,000
Change in present value of the defined benefit obligations	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Opening defined benefit obligation	645,000	345,000	162,000	158,000
Current service cost	82,000	19,000	110,804	3,000
Interest cost	52,728	27,000	12,960	13,000
Benefits paid	-	-	-	(56,000)
Actuarial (gains)/losses on obligation	(67,698)	254,000	(80,025)	44,000
Closing defined benefit obligation	712,030	645,000	205,739	162,000
Actuarial (gain)/loss recognized	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Actuarial (gain)/loss of obligation	(67,698)	254,000	(80,025)	44,000
Actuarial (gain)/loss of planned assets	-	-	-	-
Total (gain)/loss for the period	(67,698)	254,000	(80,025)	44,000
Actuarial (gain)/loss recognized	(67,698)	254,000	(80,025)	44,000
unrecognized actuarial (gain)/losses	-	-	-	-
Assumptions for gratuity and Leave encashment	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Discount rate	7.85%	8%	7.85%	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 (years)	27	29	27	29

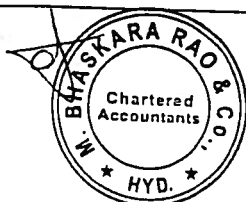
28) Related party transactions

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 Enterprises having Significant Influence
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, 2016 are as follows

	March 31, 2016 (Rs.)	March 31, 2015 (Rs.)
Bank Guarantee commission debited by M/s.NCC Ltd		
EPC Dues paid (Incurred in earlier years) M/s.NCC Ltd	472,241	240,445
M/s. NCC Ltds against EPC	-	-
M/s.KMC Constructions Limited	-	-
Management Fee Paid	-	-
M/s. NCC Infrastructure Holdings Ltd (Including Service Tax)		
Credit balances as at year end	5,468,880	4,084,512
M/s.NCC Ltd		
M/s.NCC Ltd against BG reimbursement (net)	8,669,064	8,669,064
M/s.KMC Constructions Limited	1,587,503	456,348
M/s. NCC Infrastructure Holdings Ltd	4,844,712	4,974,282
	418,000	1,637,760



OB INFRASTRUCTURE LIMITED

Notes to the Financial Statements for the year ended March 31, 2016

29) Earnings per share (EPS)

	March 31, 2016		March 31, 2015	
	No of Shares	Amount(Rs.)	No of Shares	Amount(Rs.)
Net Profit/(Loss) after tax available for equity shareholders		(28,303,119)		(133,463)
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		(1.92)		(0.01)
Diluted EPS		(1.92)		(0.01)

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 beginning of such interval period and provided for in each Financial Year during that intervals. Details of such provision made up to 31.03.2016are:

Name of the Provision	Opening Balance as at 01.04.15	Provision during 2015 - 16	Incured during 2015 - 16	Closing Balance as at 31.03.16
	Rupees	Rupees	Rupees	Rupees
Provision for Major Maintenance	204,232,995	175,000,000	104,522,866	274,710,129

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:

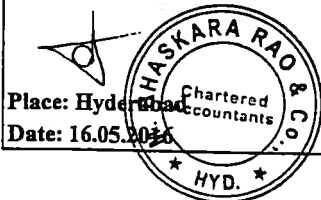
- 1) Loans and advances in the nature of loans to associates Nil
- 2) Loans and advances in the nature of loans where there is:
- (i) No repayment schedule or repayment is beyond 7 years Nil
- (ii) No interest or interest rate is below that under Section 186 of the Companies Act Nil
- 3) Loans and advances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



[Signature]
Director

[Signature]
Director

