## INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF OB INFRASTRUCTURE LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **OB Infrastructure Limited** ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 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 standalone 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 standalone financial statements based on our audit. In conducting 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 and the Order issued under section 143(11) of the Act

We conducted our audit of the standalone financial statements 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.;

(d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

(e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; 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 Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :

NEW DELHI

i. The company has no pending litigation which would impact its financial position except those disclosed in financial statements;

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 amounts which were required by the company to be transferred to the Investor Education and Protection Fund, and;

2. As required by Section 143(3) of the Act, based on our audit we report that:

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure B, a statement on the matters specified in the paragraph 3 and 4 of the Order.

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

GIANENDER & ASSOCIATES NEW DELHI Chartered Accountants

Jeetender Kumar Gupta
(Partner)
(M.no. 092547)

Place: New Delhi
Date :

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **OB Infrastructure Limited** of 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 **OB Infrastructure Limited**("the Company") as of March 31, 2018 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 judgment, 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.

Gianender & Associates Chartered Accountants New Delhi

**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, 2018, 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)

GIANENDER & ASSOCIATES NEW DELHI Chartered Accountants

Jeetender Kumar Gupta
(Partner)
(M.no. 092547)

Place: New Delhi
Date :

**Annexure 'B' to the Independent Auditor's Report of OB Infrastructure Limitedfor the Year ended as on 31st March 2018**

**Annexure referred to in paragraph 2 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) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has no immovable properties. Hence paragraph 3(i)(c) of the Order is not applicable to 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 2018, 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 , Value Added Tax,custom duty and cess etc. on account of any dispute.

viii. In our opinion and according to the information and explanation provided to us, the company has not takenloan from bank and financial institute. Company has not defaulted in repayment of dues to debenture holder.The company has not taken any loans or borrowings from Government and not issued any debenture during the year.

ix. Money raised by way of debentures 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



GIANENDER & ASSOCIATES NEW DELHI Chartered Accountants

relied by us, there were no frauds on or by the company noticed or reported during the period under audit.

xi. The company has not paid any managerial remuneration, hence paragraph 3(ix) of the order is not applicable to the company.

xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable to the company.

xiii. In our opinion and according to the information provided to us, the transaction entered with the related partied 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. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, therefore para 3(xiv) of the order is not applicable to the company.

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)

GIANENDER & ASSOCIATES NEW DELHI Chartered Accountants

Jeetender Kumar Gupta
(Partner)
(M.no. 092547)

Place: New Delhi
Date :

**OB INFRASTRUCTURE LIMITED**
**BALANCE SHEET AS AT MARCH 31, 2018**
**All Amounts in Rupees in Lakhs unless otherwise stated**

| Particulars | Note No | As At March 31, 2018 | As At March 31, 2017 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| (a)Property, Plant and Equipment | 3 | 25.49 | 34.36 |
| (b)Financial Assets | | | |
| (i) Carriageway | 4 | 24,220.39 | 28,202.22 |
| (ii) Loans | 5 | 4.19 | 4.19 |
| (iii) Other Financial Assets | 6 | 24.94 | 24.94 |
| (c) Other non-Current Assets | 7 | 18.55 | 18.25 |
| | | 24,293.55 | 28,283.96 |
| **Current assets** | | | |
| (a)Financial Assets | | | |
| (i ) Investments | 8 | 7,382.07 | 7,204.97 |
| (ii) Cash and Cash equivalents | 9 | 115.46 | 215.01 |
| (iii) Bank Balances other than (ii) above | 9 | 393.22 | 374.40 |
| (iv) Other Financial Assets | 10 | 3,913.89 | 3,912.85 |
| (b) Current Tax Asset (Net) | 11 | 284.42 | 276.01 |
| (c) Other Current Assets | 12 | 39.63 | 30.85 |
| | | 12,128.69 | 12,014.09 |
| **Total Assets** | | **36,422.24** | **40,298.05** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| (a)Equity Share Capital | 13 | 1,475.73 | 1,475.73 |
| (b)Other Equity | 14 | 12,582.24 | 11,955.25 |
| | | 14,057.97 | 13,430.98 |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| (a)Financial Liabilities | | | |
| (i) Borrowings | 15 | 15,680.00 | 19,860.00 |
| (ii) Other Financial liabilities | 16 | 112.85 | 170.75 |
| (b) Provisions | 17 | 1,677.11 | 8.12 |
| | | 17,469.96 | 20,038.87 |
| **Current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Trade payables | 18 | 550.65 | 238.83 |
| (ii) Other Financial liabilites | 19 | 4,286.36 | 3,937.57 |
| (b) Other Current liabilites | 20 | 2.63 | 23.56 |
| (c) Provisions | 21 | 54.66 | 2,628.24 |
| | | 4,894.31 | 6,828.20 |
| **Total Equity and Liabilities** | | **36,422.24** | **40,298.05** |
| Notes to Accounts and significant Accounting polices | 1 | | |

As per our Audit Report of even date attached

**For and on behalf of the Board**

**Gianender & Associates**
**Chartered Accountants**

GIANENDER & ASSOCIATES NEW DELHI Chartered Accountants

Jeetender Kumar Gupta
M.no. 092547

**Director** DIN. 00076468

**Director** DIN. 03048080

Priyanka
Company Secretary
M: A 38148

Himakesh
CFO

**Place:New Delhi**
**Date: 08.05.2018**

**OB INFRASTRUCTURE LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

**All Amounts in Rupees in Lakhs unless otherwise stated**

| | Particulars | Note No. | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|---|---|
| I. | Revenue from operations | 22 | 8,964.00 | 8,964.00 |
| II. | Other income | 23 | 526.12 | 911.60 |
| **III.** | **Total Income (I + II)** | | **9,490.12** | **9,875.60** |
| **IV.** | **Expenses:** | | | |
| | Employee benefits expense | 24 | 121.99 | 120.20 |
| | Finance costs | 25 | 2,413.77 | 2,824.96 |
| | Depreciation | 3 | 10.55 | 6.90 |
| | Other expenses | 26 | 6,145.97 | 7,862.42 |
| IV. | **Total expenses(IV)** | | **8,692.28** | **10,814.48** |
| **V.** | **Profit/(loss) before exceptional items and tax (III-IV)** | | 797.84 | (938.88) |
| VI. | Exceptional items | | - | - |
| **VII.** | **Profit/(loss) before Tax (V - VI)** | | 797.84 | (938.88) |
| VIII. | Tax expenses: | | | |
| | (1) Current tax | | 170.44 | - |
| | (2) Deferred Tax | | - | - |
| | Prior period tax | | 0.47 | |
| IX | Profit (Loss) for the period (VII + VIII) | | 626.93 | (938.88) |
| X | Other Comprehensive Income | | | |
| | Remeasurements of the defined benefit plans | | 0.06 | 0.43 |
| XI | **Total comprehensive income for the period** | | 626.99 | (938.45) |
| XII | Earnings per equity share: (Not Annualised) | | | |
| | (1) Basic | | 4.25 | (6.36) |
| | (2) Diluted | | 4.25 | (6.36) |

As per our Audit Report of even date attached

**Gianender & Associates**
**Chartered Accountants**

GIANENDER & ASSOCIATES NEW DELHI Chartered Accountants

Jeetender Kumar Gupta
M.no. 092547

**Place:New Delhi**
**Date: 08.05.2018**

**For and on behalf of the Board**

Director
DIN.00076468

Director
DIN.03048000

Priyanka
Company Secretary
M: A38118

CFO

**OB INFRASTRUCTURE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018**

**All Amounts in Rupees in Lakhs unless otherwise stated**

| | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| **Cash Flow from Operating Activities:** | | |
| Net Profit before Tax | 626.99 | (938.45) |
| Adjustment for: | | |
| Other income | 77.54 | 189.13 |
| Profit on sale on Investment | (89.15) | (412.55) |
| Fair value Adjustments - Change in Carrying Value of Current Investments | (359.44) | (309.93) |
| Non Cash adjustments | | |
| Depreciation | 3,992.38 | 3,988.73 |
| Interest and Financial Charges | 2,413.77 | 2,824.96 |
| Operating Profit before Working Capital Changes | **6,662.10** | **5,341.89** |
| Movements in Working Capital : | | |
| Increase/(decrease) in long term provisions | 1,668.99 | (0.18) |
| Increase/(decrease) in short term provisions | (2,573.58) | (119.75) |
| Increase/(decrease) in other long term liabilities | (57.90) | (28.85) |
| Increase/(decrease) in other current liabities | (32.40) | (120.35) |
| Decrease/(increase) in long term loans and advances | 0.01 | 36.47 |
| Decrease/(increase) in other non current assets | (0.30) | 37.29 |
| Decrease/(increase) in short term loans and advances | (8.78) | 36.44 |
| Decrease/(increase) in trade payables | 311.82 | 77.51 |
| Decrease/(increase) in other Current Assets | (1.04) | 0.79 |
| **Cash generated from Operations** | **5,968.93** | **5,261.24** |
| Income Tax Refund(Net) | - | 180.41 |
| Advance Taxes net | (8.41) | - |
| **Net Cash from Operating activities: (A)** | **5,960.52** | **5,441.65** |
| **Cash Flow from Investing Activities:** | | |
| Capital Expenditure on Fixed Assets | (1.68) | (9.72) |
| Sale of Investment in Mutual Funds (Net) | 182.33 | 806.50 |
| Proceeds from Dividend Income | (77.54) | (189.13) |
| Profit on sale of investments | 89.15 | 412.55 |
| **Net Cash from Investing activities ( B)** | **192.26** | **1,020.20** |
| **Cash Flow from Financing Activities:** | | |
| Proceeds from Long Term Borrowings | - | - |
| Repayment of Long Term Borrowings | (3,800.00) | (3,460.00) |
| Interest Paid | (2,433.51) | (2,843.00) |
| **Net Cash used in Financing activities ( C)** | **(6,233.51)** | **(6,303.00)** |
| **Net change in Cash and Cash Equivalents (A+B+C)** | **(80.73)** | **158.85** |
| Cash and Cash Equivalents as at 1st April 2017 (Opening Balance) | 589.41 | 430.57 |
| Cash and Cash Equivalents as at 31st March 2018 (Closing Balance) | 508.68 | 589.41 |
| **NET CASHFLOW** | **(80.73)** | **158.85** |

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 31.03.2018 includes Rs.3,06,76,626/- not available for use by the company (Refer Note No. 27)

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

**Gianender & Associates**
**Chartered Accountants**

NEW DELHI

Jeetender Kumar Gupta
M.no. 092547

**For and on behalf of the Board**

DIN. 00076466

Director

Director DIN. 03048000

Company Secretary

CFO

M: A38168

**Place:** **New Delhi**
**Date:** **08.05.2018**

STATEMENT OF CHANGES IN EQUITY OB INFRASTRUCTURE LIMITED
Statement of Changes in Equity for the Year Ended March 31, 2018
**All Amounts in Rupees in Lakhs unless otherwise stated**

**A. Equity Share Capital**

| Description | Balance at the beginning of the reporting period | Changes in equity share capital during the year | Balance at the end of the reporting period |
|---|---|---|---|
| No of Shares Authorised | 14,757,500 | - | 14,757,500 |
| No of Shares Issued | 14,757,331 | | 14,757,331 |
| No of Shares Subscribed and paidup | 14,757,331 | | 14,757,331 |
| Face Value | 10 | - | 10 |
| Equity Share Capital - Authorised (Rs. Lakhs) | 1,475.75 | | 1,475.75 |
| Equity Share Capital - Paid up (Rs. Lakhs) | 1,475.73 | - | 1,475.73 |

**B. Other Equity**

| Description | Debenture redemption reserve | Reserves | Security Premium Account | Total |
|---|---|---|---|---|
| | | Retained Earnings | | |
| **Balance at the end of the March 31, 2017** | | (1,190.90) | 13,146.15 | 11,955.24 |
| Total comprehensive income for the year | | 626.99 | - | 626.99 |
| Transfer to reserve | 626.99 | (626.99) | | - |
| **Balance at the end of the March 31, 2018** | **626.99** | **(1,190.90)** | **13,146.15** | **12582.23611** |

Gianender & Associates
Chartered Accountants

NEW DELHI

Jeetender Kumar Gupta
M.no. 092547

Place: New Delhi
Date: 08.05.2018

For and on behalf of the Board

Director
DIN. 00076468

Director
DIN. 03048000

Company Secretary
M. A38168

1 **Corporate Information**

The Company is a Special Purpose Vehicle incorporated for execution of "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 ("the project") 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**

2.1 **Statement of compliance:**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable.

2.2 **Basis of preparation and presentation**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.3 **Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.4 **Financial instruments:**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.4.1 **Carriage Way:**

Carriage way represents the Cost incurred towards the Project executed, pursuant to the Concession Agreement. Up to date of transition to Ind AS, the said Carriage way was treated as Intangible asset of the Company and on transition to Ind AS, the Company, pursuant to guidance specified in Ind AS 101 - - First time adoption of Indian Accounting Standard, has elected to continue with the net carrying value of all its rights on the said carriage way as non current financial asset of the Company and will be ammortised over the balance Concession Period on straight line basis.

2.4.2 **Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

2.4.3 **Fair Value through Profit and Loss (FVTPL)**

Investments in Mutual Funds are classified at FVTPL.

2.4.4 **Financial liabilities and equity instruments**

**Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

GIANENDER & ASSOCIATES NEW DELHI Chartered Accountants

**Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.5 **Property plant and equipment & Intangible Assets**

2.5.1 Property, Plant and Equipment:

Property, Plant and Equipment are stated in the Balance sheet at cost of acquisition less accumulated depreciation and impairment losses (if any). Cost of acquisition is inclusive of freight, duties, levies and all incidental expenditure attributable to bring the asset to its working condition.

Project under which Tangible/Intangible assets are not yet ready for the intended use and other Capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.5.2 **Intangible Fixed Assets**:

Intangible Fixed assets are carried at cost less accumulated amortization and impairment losses if any. The Cost of intangible assets comprises of its purchase price, duties, taxes etc., and any directly attributable expenditure on making the assets ready for its intended use. Subsequent expenditure on an intangible asset after its purchase is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributable to the asset reliably, in which case such expenditure is added to the cost of the asset.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.5.3 **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. Intangible Assets are amortised, on straight line method based on the useful life as asseted by the Management.

2.5.4 **Impairment**

The Company assesses at each reporting date whether there is an indication that an asset/cash generating unit may be impaired. If any indication exists the Company estimates the recoverable amount of such assets and if carrying amount exceeds the recoverable amount, impairment is recognised. The recoverable amount is the higher of the net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discount factor. When there is indication that previously recognised impairment loss no longer exists or may have decreased such reversal of impairment loss is recognised in the profit or loss.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash generating units (or groups of cash-generating unit) that is expected to benefit from the synergies of the combination.

2.6 **Revenue Recognition:**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

2.7 **Other Income**

Dividend income from investments is recognised in the year in which the right to receive the payment is established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.8 **Employee Benefits**

Employee benefits include provident fund, gratuity and compensated absences.

**a) Defined contribution plan**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The Company makes contributions to Provident Fund , at a specified percentage of the employees' salary and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

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**b) Defined benefit plans**

**i) Gratuity**

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

• service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
• net interest expense or income; and
• remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form reductions in future contributions to the plans.

ii) **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.

2.9 **Taxes on Income**

Current tax is determined based on the amount of tax payable in respect of taxable income for the period / year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.10 **Provisions, contingent liabilities and contingent assets**

Provisions are recognised only when there is a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.11 **Earnings per Share**

The earnings considered in ascertaining the company's Earnings per share (EPS) comprise the net profit / (loss) after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the period/year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS and weighted average number of equity shares which could have been issued on the conversion of diluted potential equity shares where applicable. Dilutive potential equity shares are deemed to have been converted as of the beginning of the year, and unless they have been issued at a later date.

2.12 **Cash Flow Statement**

Cash Flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

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OB INFRASTRUCTURE LIMITED

Notes forming part of the Financial Statements as at March 31, 2018

All Amounts in Rupees in Lakhs unless otherwise stated

3 Property, plant and equipment

| Description | Plant and Machinery | Office Equipment | Furniture and Fixtures | Office Vehicles | Total |
|---|---|---|---|---|---|
| **Cost as at April 1, 2017** | 15.30 | 10.98 | 1.50 | 60.50 | 88.28 |
| Additions | - | 1.68 | - | - | 1.68 |
| Disposals | - | - | - | - | - |
| **Cost as at March 31, 2018** | 15.30 | 12.66 | 1.50 | 60.50 | 89.96 |
| **Accumulated depreciation upto March 31, 2017** | 6.07 | 9.98 | 1.41 | 36.46 | 53.92 |
| Depreciation for the Period | 1.45 | 1.17 | 0.01 | 7.92 | 10.55 |
| Depreciation on deletions | - | - | - | - | - |
| **Accumulated depreciation upto March 31, 2018** | 7.52 | 11.16 | 1.42 | 44.38 | 64.48 |
| | | | | | - |
| **Net Carrying amount as at March 31, 2018** | **7.78** | **1.50** | **0.08** | **16.12** | **25.49** |

| Description | Plant and Machinery | Office Equipment | Furniture and Fixtures | Office Vehicles | Total |
|---|---|---|---|---|---|
| **Cost as at April 1, 2016** | 15.06 | 10.61 | 1.50 | 51.38 | 78.55 |
| Additions | 0.24 | 0.37 | - | 9.11 | 9.72 |
| Disposals | - | - | - | - | - |
| **Cost as at March 31, 2017** | 15.30 | 10.98 | 1.50 | 60.50 | 88.28 |
| **Accumulated depreciation upto March 31, 2016** | 4.84 | 9.11 | 1.36 | 31.72 | 47.03 |
| Depreciation for the Period | 1.23 | 0.88 | 0.05 | 4.74 | 6.90 |
| Depreciation on deletions | - | - | - | - | - |
| **Accumulated depreciation upto March 31, 2017** | 6.07 | 9.98 | 1.41 | 36.46 | 53.92 |
| | | | | | |
| **Net Carrying amount as at March 31,2017** | **9.23** | **0.99** | **0.10** | **24.04** | **34.37** |

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**OB INFRASTRUCTURE LIMITED**

Notes to the Financial Statements for the year ended March 31, 2018

**All Amounts in Rupees in Lakhs unless otherwise stated**

| | As at March31,2018 | As at March31,2017 |
|---|---|---|
| **4. Carriage Way** | | |
| Gross Value of Carriage Way | 58,964.33 | 58,964.33 |
| Less: Amortisation Upto the reporting period | 34,743.94 | 30,762.11 |
| Carrying Value of Carriage Way | **24,220.39** | **28,202.22** |
| **5. Loans** | | |
| (Unsecured, considered good) | | |
| Deposit - Utilities | 4.19 | 4.19 |
| | **4.19** | **4.19** |
| **6. Other Financial Assets** | | |
| Receivables from NHAI (Other than Annuity) towards: | | |
| a) Reimbursement of Project related Expenses | 11.85 | 11.85 |
| b) Retention Money | 13.09 | 13.09 |
| | **24.94** | **24.94** |
| **7. Other Non Current Assets** | | |
| Reimbursement of Sales Tax | 18.55 | 18.25 |
| | **18.55** | **18.25** |
| **8. Current Investments** | | |
| Investments in Mutual Funds - Quoted | | |
| Units in L&T Mutual Fund - Debt Funds | | |
| 4,06,61,051.1657 Units (March 31,2017 4,37,57,286.3836 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.36.00 Crores) | 7,382.07 | 7,204.97 |
| | **7,382.07** | **7,204.97** |
| **9. Cash and Bank Balances** | | |
| **Cash and cash eqvivalents:** | | |
| Cash on Hand | 0.10 | 0.06 |
| Balances with banks | | |
| - In Current Account | 115.35 | 214.95 |
| | **115.46** | **215.01** |
| **Other Bank Balances** | | |
| Fixed Deposit with IDBI Bank Ltd (Refer Note: 27) | 393.22 | 374.40 |
| | **508.68** | **589.41** |
| **10. Other Financial Assets** | | |
| Unbilled Revenue - Annuity Accrued | 3,909.30 | 3,909.30 |
| Interest accrued on deposit | 4.59 | 3.55 |
| | **3,913.89** | **3,912.85** |
| **11. Current Tax Asset (Net)** | | |
| TDS | 455.04 | 276.20 |
| Advance Tax | 154.19 | 154.19 |
| Less: Provision for Income tax | 324.82 | 154.38 |
| | **284.42** | **276.01** |
| **12. Other Current Assets** | | |
| (Unsecured, considered good) | | |
| Loans and advances to Employees | 0.00 | 1.65 |
| Prepaid Expenses | 9.47 | 9.23 |
| Advances Recoverable in cash or kind or value to be received | 30.15 | 19.97 |
| | **39.63** | **30.85** |

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**All Amounts in Rupees in Lakhs unless otherwise stated**

**13) Share Capital**

| | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | No of Shares | Amount | No of Shares | Amount |
| **Authorised Shares** | | | | |
| Equity Shares of Rs.10 each | 14,757,500 | 1,475.75 | 14,757,500 | 1,475.75 |
| **Issued, Subscribed and fully paid up shares:** | | | | |
| Equity shares of Rs. 10 each | 14,757,331 | 1,475.73 | 14,757,331 | 1,475.73 |
| Total Issued, Subscribed and fully paid up shares | **14,757,331** | **1,475.73** | **14,757,331** | **1,475.73** |

**13.a) Reconciliation of the shares outstanding:**

| | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | No of Shares | Amount | No of Shares | Amount |
| At the beginning of the year | 14,757,331 | 1,475.73 | 14,757,331 | 1,475.73 |
| Issued during the Year | - | - | - | - |
| Outstanding at the end of the Year | **14,757,331** | **1,475.73** | **14,757,331** | **1,475.73** |

**13.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.

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

| | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | No of Shares | Amount | No of Shares | Amount |
| NCC Limited (Ultimate Holding Company) | 600 | 0.06 | 600 | 0.06 |
| NCC Infrastructure Holdings limited ( Subsidiary of ultimate Holding Company) | 9,447,681 | 944.77 | 9,447,681 | 944.77 |
| | **9,448,281** | **944.83** | **9,448,281** | **944.83** |

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

| | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | No of Shares | % of Holding | No of Shares | % of Holding |
| NCC Infrastructure Holdings Limited | 9,447,681 | 64.02% | 9,447,681 | 64.02% |
| KMC Infratech Limited | 5,309,050 | 35.98% | 5,309,050 | 35.98% |

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**OB INFRASTRUCTURE LIMITED**

Notes to the Financial Statements for the year ended March 31, 2018

**All Amounts in Rupees in Lakhs unless otherwise stated**

**14) Reserves and Surplus**

| | | | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|---|
| a) Securities Premium Account | | | | |
| Opening Balance | | | 13,146.15 | 13,146.15 |
| Additions during the year | | | - | - |
| Closing Balance | | a | 13,146.15 | 13,146.15 |
| **b) Surplus/(deficit) in the Statement of Profit and Loss** | | | | |
| Opening Balance | | | (1,190.90) | (252.45) |
| Add: Profit/ (loss) for the Year | | | 626.99 | (938.45) |
| Less:Transfer to DRR | | | (626.99) | - |
| Net Surplus in the Statement of Profit and Loss | | b | (1,190.90) | (1,190.90) |
| c) Debenture redemption reserve(DRR) | | | | |
| Add: Created during the year | | | 626.99 | - |
| | | c | 626.99 | - |
| **Total of Reserves and Surplus** | (a+b+c) | | 12,582.24 | 11,955.25 |

**15) Long Term Borrowings**

| | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | Non-Current | Current | Non-Current | Current |
| **Secured:** | | | | |
| **a) Debentures:** | | | | |
| a) 11840 (previous year 14,060) Series 'A' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of Rs. 1,00,000 each | 7,760.00 | 4,080.00 | 11,840.00 | 2,220.00 |
| b)1,000 (previous year 2,500) Series 'B' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of Rs. 1,00,000 each | 1,000.00 | - | 1,000.00 | 1,500.00 |
| c) 7,020 (previous year 7,100) Series 'C' Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of Rs. 1,00,000 each | 6,920.00 | 100.00 | 7,020.00 | 80.00 |
| | 15,680.00 | 4,180.00 | 19,860.00 | 3,800.00 |
| Less : Amount showed under "Other Current Liabilities (Refer Note No.19) | - | 4,180.00 | - | 3,800.00 |
| Total | **15,680.00** | - | **19,860.00** | - |

**15.1 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. Aggregate value of debentures issued was Rs. 334 Crores. L&T Infra Finance Limited subscribed the total debentures from Debenture Trustee of OBIL. Subsequently L&T Infra Finance Limited transferred 6176 Series "A" debentures of Rs. 1,00,000/- each amounting Rs. 61.76 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
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.

**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 |
| | 2,000,000,000 | 500,000,000 | 840,000,000 | 3,340,000,000 |

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**OB Infrastructure Limited**

Notes to the Financial Statements for the year ended March 31, 2018

**All Amounts in Rupees in Lakhs unless otherwise stated**

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **16. Other Long Term Liabilities** | | |
| Retention Money Payable | 112.85 | 170.75 |
| | **112.85** | **170.75** |
| **17. Long Term Provsions** | | |
| **Provision for Employee Benefits** | | |
| Gratuity | 5.67 | 4.80 |
| Leave Encashment | 3.82 | 3.31 |
| **Others:** | | |
| Provision for Major Maintenance | 1,667.61 | - |
| | **1,677.11** | **8.12** |
| **18. Trade Payables** | | |
| Other than Acceptances | 550.65 | 238.83 |
| | **550.65** | **238.83** |
| **19. Other Financial Liabilities** | | |
| Current Maturities of Long Term Borrowings(Refer Note 15) | 4,180.00 | 3,800.00 |
| Interest accrued but not due on borrowings | 103.06 | 122.80 |
| Other Payables : | | |
| Independent Consultant Fee Payable to NHAI | 3.30 | 14.77 |
| | **4,286.36** | **3,937.57** |
| **20. Other Current Liabilities** | | |
| Statutory duties: | | |
| TDS | 2.48 | 7.28 |
| WCT | 0.15 | 16.28 |
| | **2.63** | **23.56** |
| **21. Short Term Provsions** | | |
| **Provision for Employee Benefits** | | |
| Gratuity | 0.47 | 0.30 |
| Leave Encashment | 0.90 | 0.59 |
| Provision for Major Maintenance | 53.30 | 2,627.35 |
| | **54.66** | **2,628.24** |

**OB INFRASTRUCTURE LIMITED**

Notes to the Financial Statements for the year ended March 31, 2018

**All Amounts in Rupees in Lakhs unless otherwise stated**

| | Year ended March 31,2018 | Year ended March 31,2017 |
|---|---|---|
| **22. REVENUE FROM OPERATIONS** | | |
| Annuity from NHAI | 8,964.00 | 8,964.00 |
| | **8,964.00** | **8,964.00** |
| **23. OTHER INCOME** | | |
| Interest income on Bank deposits | 21.56 | 22.91 |
| Interest Income on IT refund | 24.57 | 32.38 |
| Profit on sale of Investments | 89.15 | 412.55 |
| Credit balances no longer requred written back | - | 129.10 |
| Miscellaneous income | 31.41 | 4.74 |
| Fair value Adjustments - Change in Carrying Value of Current Investments | 359.44 | 309.93 |
| | **526.12** | **911.60** |
| **24. EMPLOYEE BENEFITS** | | |
| Salaries, Wages & Other allowances | 112.13 | 111.12 |
| Contribution to Provident funds | 5.87 | 5.58 |
| Staff welfare expenses | 3.99 | 3.51 |
| | **121.99** | **120.20** |
| **25. FINANCE COST** | | |
| Interest on Secured Loans | 2,406.13 | 2,813.23 |
| Commission on Bank Gurantee provided through NCC Ltd. | 7.62 | 7.82 |
| Interest on others | 0.00 | 3.77 |
| Bank Charges | 0.02 | 0.15 |
| | **2,413.77** | **2,824.96** |
| **26. OTHER EXPENSES** | | |
| Power & Fuel Charges | 41.25 | 27.75 |
| Rent | 1.46 | 1.51 |
| Repairs and Maintenance | 66.59 | 75.98 |
| Road Maintenance Expenses | 147.42 | 80.61 |
| Provision for Major Maintenance | 1,667.61 | 3,401.00 |
| Insurance | 29.96 | 30.10 |
| Rates & Taxes | 1.81 | 5.12 |
| Professional charges | 103.49 | 154.11 |
| Auditors Remuneration | 3.50 | 4.12 |
| Travelling Expenses | 32.37 | 34.22 |
| Business Promotion Expenses | 0.93 | 0.90 |
| Office Maintenance | 4.83 | 4.11 |
| Machinery Hire Charges | 56.24 | 50.08 |
| Miscellaneous Expenses | 6.68 | 10.97 |
| Fair value Adjustment - Carriage Way | 3,981.83 | 3,981.83 |
| | **6,145.97** | **7,862.42** |

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**OB INFRASTRUCTURE LIMITED**

Notes to the Financial Statements for the year ended March 31, 2018

**All Amounts in Rupees in Lakhs unless otherwise stated**

**27. Contingencies and Commitments**

| | March 31, 2018 (Rs. Lakhs) | March 31, 2017 (Rs. Lakhs) |
|---|---|---|
| **Contingent Liabilities not provided for** | | |
| Claims against the company not acknowledged as debt * | 306.77 | 306.77 |

* 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.306.77 lakhs 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.

**28. Auditors Remuneration**

Payment to auditors comprises of:

| | March 31, 2018 (Rs. Lakhs) | March 31, 2017 (Rs. Lakhs) |
|---|---|---|
| Statutory Audit Fee | 1.25 | 1.56 |
| Tax Audit Fee | 0.75 | 0.54 |
| Limited Review Fee | 1.50 | 0.90 |
| For other services | - | 0.65 |
| Service Tax & GST | - | 0.47 |
| **Total** | **3.50** | **4.12** |

**29. 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.

**30. Employee Benefits**

Liability for retiring gratuity as on March 31, 2018 is Rs 6,14,132 (March 31, 2017 Rs. 5,10,187/- ) and included in provision for gratuity. The liability for cost of compensated absence is Rs. 472, 162/- (March 31, 2017: 3,90,732/- ) 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, 2018 (Rupees) | March 31, 2017 (Rupees) | March 31, 2018 (Rupees) | March 31, 2017 (Rupees) |
| **Expenses recongnised in Statement of Profit and Loss** | | | | |
| Current service cost | 0.81 | 0.75 | 1.18 | 0.95 |
| Interest cost | 0.34 | 0.49 | 0.22 | 0.15 |
| Settlement cost | - | - | - | - |
| Net actuarial (gain)/loss | (0.12) | (1.48) | 0.06 | 1.05 |
| **Net benefit expense** | **1.04** | **(0.24)** | **1.46** | **2.15** |
| **Benefit asset/liability** | **March 31, 2018** | **March 31, 2017** | **March 31, 2018** | **March 31, 2017** |
| Present value of defined benefit obligation | 6.14 | 5.10 | 4.72 | 3.91 |
| Fair value of plan assets | - | - | - | - |
| **Net asset/(liability)** | **6.14** | **5.10** | **4.72** | **3.91** |
| **The above Liability Classified as** | | | | |
| Long Term | **6.14** | **5.10** | **4.72** | **3.91** |
| Short Term | - | - | - | - |
| **Change in present value of the defined benefit obligations** | **March 31, 2018** | **March 31, 2017** | **March 31, 2018** | **March 31, 2017** |
| Opening defined benefit obligation | 5.10 | 7.13 | 3.91 | 2.06 |
| Current service cost | 0.81 | 0.75 | 0.53 | 0.95 |
| Interest cost | 0.34 | 0.49 | 0.22 | 0.15 |
| Benefits paid | - | (1.79) | - | (0.30) |
| Actuarial (gains)/losses on obligation | (0.12) | (1.48) | 0.06 | 1.05 |
| Closing defined benefit obligation | **6.14** | **5.10** | **4.72** | **3.91** |
| **Actuarial (gain)/loss recognized** | **March 31, 2018** | **March 31, 2017** | **March 31, 2018** | **March 31, 2017** |
| Actuarial (gain)/loss of obligation | (0.12) | (1.48) | 4.72 | 1.05 |
| Actuarial (gain)/loss of planned assets | - | - | - | - |
| Total (gain)/loss for the period | (0.12) | (1.48) | 4.72 | 1.05 |
| Actuarial (gain)/loss recognized | (0.12) | (1.48) | 4.72 | 1.05 |
| unrecognized actuarial (gain)/losses | | | | |
| **Assumptions for gratuity and Leave encashment** | **March 31, 2018** | **March 31, 2017** | **March 31, 2018** | **March 31, 2017** |
| Discount rate | 8.00% | 6.75% | 6.75% | 6.75% |
| 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) | 16 | 27 | 16 | 27 |

**31) 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 | Ultimate 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, 2018 are as follows**

| | March 31, 2018 | March 31, 2017 |
|---|---|---|
| **Bank Guarantee commission debited by** | | |
| M/s.NCC Ltd | 7.62 | 7.82 |
| **Management Fee Paid** | | |
| M/s. NCC Infrastructure Holdings Ltd (Including GST) | 56.28 | 55.20 |
| **Credit balances as at year end** | | |
| M/s.NCC Ltd against BG reimbursement (net) | - | 16.08 |
| M/s. NCC Infrastructure Holdings Ltd | 25.92 | 21.00 |

**OB INFRASTRUCTURE LIMITED**

Notes to the Financial Statements for the year ended March 31, 2018

**All Amounts in Rupees in Lakhs unless otherwise stated**

**32) Earnings per share (EPS)**

| | March 31,2018 | | March 31,2017 | |
|---|---|---|---|---|
| | **No of Shares** | **Amount** | **No of Shares** | **Amount** |
| Net Profit/(Loss) after tax available for equity shareholders | | 626.93 | | (938.88) |
| 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 | | 10.00 | | 10.00 |
| Basic EPS | | 4.25 | | (6.36) |
| Diluted EPS | | 4.25 | | (6.36) |

**33) 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 periodic 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 31.03.2016are:

| Name of the Provision | Opening Balance as at 01.04.17 Rupees | Provision during 2017 - 18 Rupees | Incured during the period 31.03.18 Rupees | Closing Balance as at 31.03.18 Rupees |
|---|---|---|---|---|
| Provision for Major Maintenance | 2,627 | 1,668 | 2,574 | 1,721 |

34) 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: : NIL

(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

**Gianender & Associates**
**Chartered Accountants**

**For and on behalf of the Board**

Director DIN. 00076468 | Director DIN. 03048000

Company Secretary M:38168 | CFO

**Place: New Delhi**
**Date :08.05.2018**

OB Infrastructure Limited
Additional Financial Disclosures - Year ended March 31, 2018
All Amounts in Rupees in Lakhs unless otherwise stated

35 Financial instruments & Fair Value Disclosures

**Capital management**

The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain / enhance credit rating.

The Company determines the amount of capital required on the basis of long-term strategic plans. The funding requirements are met through long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, capital includes issued equity capital and other revenue reserves. Net debt includes all long and short-term borrowings and interest accrued thereon as reduced by cash and cash equivalents.

The following table summarises the capital of the Company:

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Equity** | **14,057.97** | 13,430.98 |
| Long Term Borrowings | 19,860.00 | 23,660.00 |
| Cash and cash equivalents | (508.68) | (589.41) |
| **Net debt** | **19,351.32** | **23,070.59** |
| **Net debt to equity** | **1.38** | **1.72** |

36 Categories of financial instruments

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Financial assets** | | |
| **Measured at Fair Value through Profit and Loss** | | |
| Investments | 7,382.07 | 7,204.97 |
| **Measured at amortised cost** | | |
| Carriageway | 24,220.39 | 28,202.22 |
| Cash and bank balances | 508.68 | 589.41 |
| Loans | 4.15 | 4.19 |
| Other Financial asset | 3,938.83 | 3,937.79 |
| **Financial liabilities** | | |
| Borrowings(including interest) | 19,963.06 | 23,782.80 |
| Trade payables | 550.65 | 238.83 |
| Other Financial liabilites | 116.15 | 185.52 |

37 Fair value measurements

**Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)**

| | Fair value hierarchy | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|---|
| | | Carrying amount | Fair value | Carrying amount / Cost | Fair value |
| **Financial assets** | | | | | |
| Financial assets at amortised cost: | | | | | |
| Carriageway | Level 3 | 24,220.39 | 24,220.39 | 28,202.22 | 28,202.22 |
| Loans | Level 3 | 4.19 | 4.19 | 4.19 | 4.19 |
| Other Financial asset | Level 3 | 3,938.83 | 3,938.83 | 3,937.79 | 3,937.79 |

| | Fair value hierarchy | As at | | As at | |
|---|---|---|---|---|---|
| | | Carrying amount | Fair value | Carrying amount | Fair value |
| **Financial liabilities** | | | | | |
| Financial liabilities at amortised cost: | | | | | |
| Borrowings(including interest) | Level 3 | 19,963.06 | 19,963.06 | 23,782.80 | 23,782.80 |
| Trade payables | Level 3 | 550.65 | 550.65 | 238.83 | 238.83 |
| Other Financial liabilites | Level 3 | 116.15 | 116.15 | 185.52 | 185.52 |

The carrying amount of current financial assets and current trade and other payables measured at amortised cost are considered to be the same as their fair values, due to their short term nature.

The carrying value of Rupee Term Loan and Loan from Related Party approximate fair value as the instruments are at prevailing market rate.

GIANENDER & ASSOCIATES NEW DELHI

38 **Financial risk management objectives**

The company's activities expose it to variety of financial risks : market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework

A **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. There are no significant exposure to market risk considering the current status of its project and other operations of the Company.

i) **Interest rate risk**

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate applicable is not subjected to fluctuations hence company is not exposed to interest rate risks.

ii) **Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The company is exposed to price risk due to investments in mutual funds and classified as fair value through profit and loss.

The company measures risk through sensitivity analysis.

The company's risk management policy is to mitigate the risk by investments in diversified mutual funds.

**The company's exposure to price risk due to investments in mutual fund is as follows:**

| Particulars | Note No. | 31.03.2018 | 31.03.2017 |
|---|---|---|---|
| Investments in Mutual Funds | | 7,382.07 | 7,204.97 |

**Sensitivity Analysis**

| | Impact on profit/ loss after tax | |
|---|---|---|
| | 31.03.2018 | 31.03.2017 |
| Increase or decrease in NAV by 2% | 145.87 | 72.05 |
| *Note - In case of decrease in NAV profit will reduce and vice versa.* | | |

B) **Credit risk management**

Credit Risk refers to the risk for a counter party default on its contractual obligation resulting a financial loss to the company. The maximum exposure of the financial assets represents receivable from authority.The credit risk on cash and bank balancesis limited because the counterparties are banks with high credit ratings assigned by credit rating agencies.

Hence, the management believes that the company is not exposed to any credit risk.

C) **Liquidity risk management**

The Company manages liquidity risk by maintaining borrowing facilities from its group companies, by continuously monitoring forecast and actual cash flows for the projects undertaken by the Company.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31 2018

| | Carrying amount | upto 1 year | 1-3 year | More than 3 year | Total contracted cash flows |
|---|---|---|---|---|---|
| Borrowings(including interest) | 19,963.06 | 4,283.06 | 14,620.00 | 1,060.00 | 19,963.06 |
| Trade payables | 550.65 | 550.65 | | | 550.65 |
| Other Financial liabilites | 116.15 | 116.15 | | | 116.15 |
| Total | 20,629.87 | 4,949.87 | 14,620.00 | 1,060.00 | 20,629.87 |

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2017

| | Carrying amount | upto 1 year | 1-3 year | More than 3 year | Total contracted cash flows |
|---|---|---|---|---|---|
| Borrowings(including interest) | 23,782.80 | 3,922.80 | 8,780.00 | 11,080.00 | 23,782.80 |
| Trade payables | 238.83 | 238.83 | - | | 238.83 |
| Other Financial liabilites | 185.52 | 185.52 | | | 185.52 |
| **Total** | **24,207.15** | **4,347.15** | **8,780.00** | **11,080.00** | **24,207.15** |

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

**Gianender & Associates**
**Chartered Accountants**

For and on behalf of the Board

DIN: 00076468 Director

Director DIN No: 03048000

Company Secretary

CFO

M: 38/18

Place: New Delhi
Date: 08.05.2018