

**HAZARIBAGH RANCHI EXPRESSWAY
LIMITED**

FINANCIAL STATEMENT

2014-15

INDEPENDENT AUDITOR'S REPORT

To The Members of
Hazaribagh Ranchi Expressway Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Hazaribagh Ranchi Expressway Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraph 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 purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) **The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts**
 - 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.**

- c) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statement- Refer note 20 to financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Luthra & Luthra
Chartered Accountants
FRN: 002081N



Akhilesh Gupta
Partner
M.No: 89909

Place: Mumbai
Date: April 29, 2015

ANNEXURE TO THE AUDITORS' REPORT

(Statement on the matters specified in Companies (Auditor's Report) Order, 2015)

1. a. The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
b. As per the information and explanations given to us, fixed assets have been physically verified by the Management at reasonable intervals, and no discrepancy was noticed.
2. Clause (ii) of the order is not applicable to the Company.
3. In our opinion and according to the information and explanation given to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act 2013. Consequently, requirement of clauses (iiia) and (iiib) of the paragraph 3 of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of services. We have not observed any continuing failure on the part of the company to correct major weakness in internal control system.
5. According to the information and explanations given to us the company has not accepted deposits.
6. According to the information and explanation given to us, the Central Government has prescribed the maintenance of cost records u/s 148(1) of the Companies Act, 2013. On the basis of certificate from the cost accountants certifying the maintenance of cost records, we are of the opinion that prima-facia, the Company has made and maintained the same to the extent applicable. We have broadly reviewed the books of account and records maintained by the Company. We have, however, not made detailed examination of these records with the view to determine that whether they are accurate and complete.
7. a. According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities during the year.

There were no undisputed amounts payable on account of the above dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable

- b. According to the information and explanation given to us, there is no due on account of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of dispute other than as given below:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where Dispute is pending
Income tax	Income tax	Rs. 16,97,720	FY 2010-11	CIT (A)
Income tax	Income tax	Rs. 28,01,010	FY 2011-12	CIT (A)

- c. According to the information and explanation given to us, no amount is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.

8. Company's accumulated losses at the end of the financial year are not less than fifty percent of its net worth. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.
9. In our opinion and as per the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
10. As per the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.
11. In our opinion and according to the information and explanation given to us, the Company has applied the term loan for the purpose for which the loan was obtained.
12. Based upon the audit procedures performed and information and explanations given by the management, no fraud on or by the company has been noticed or reported during the year.

For Luthra & Luthra
Chartered Accountants
FRN: 002081N


Akhilesh Gupta
Partner
M.No: 89909

Place: Mumbai
Date: April 29, 2015

HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Balance Sheet As at March 31, 2015

Amount in ₹

	Particulars	Note	As At	
			March 31, 2015	March 31, 2014
I	EQUITY AND LIABILITIES			
1	SHAREHOLDERS' FUNDS			
	(a) Share capital	2	1,310,000,000	1,310,000,000
	(b) Reserves and surplus	3	(1,460,695,139)	(857,040,298)
			(150,695,139)	452,959,702
2	NON-CURRENT LIABILITIES			
	(a) Long-term borrowings	4	6,709,225,022	7,313,407,486
			6,709,225,022	7,313,407,486
3	CURRENT LIABILITIES			
	(a) Current maturities of long-term debt	5	637,850,125	483,902,914
	(b) Short-term borrowings	6	2,203,800,000	1,320,000,000
	(c) Trade payables		4,171,602	2,008,954
	(d) Other current liabilities	7	452,663,322.00	636,482,033
			3,298,485,049	2,442,393,901
	TOTAL		9,857,014,932	10,208,761,088
II	ASSETS			
1	NON CURRENT ASSETS			
	(a) Fixed assets	8		
	(i) Tangible assets		9,607,909,387	9,703,536,371
	(ii) Intangible assets		18	18
	(iii) Capital work-in-progress		-	37,740,110
			9,607,909,405	9,741,276,499
	(e) Long-term loans and advances (Net)	9	11,882,314	17,513,417
	(f) Other non-current assets	10	745,857	-
			12,628,171	17,513,417
2	CURRENT ASSETS			
	(a) Trade receivables (Net)	11	3,229,158	3,229,158
	(b) Cash and bank balances	12	177,931,711	385,849,702
	(c) Short-term loans and advances	13	55,316,487	60,892,312
			236,477,356	449,971,172
	TOTAL		9,857,014,932	10,208,761,088

Notes 1 to 23 form part of the financial statements

In terms of our report attached.

For **LUTHRA & LUTHRA**

Chartered Accountants

Firm Registration No. 002081N

Akhilesh Gupta

Partner

Mem. No. : 89909

Place: Mumbai

Date: April 29, 2015



For and on behalf of the Board

[Signature]

Director

[Signature]

Chief Financial Officer

Place: Mumbai

Date: April 29, 2015

[Signature]

Director

[Signature]

Company Secretary

HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Statement of Profit and Loss for the year ended March 31, 2015

Amount in ₹

	Particulars	Note	For the year ended March 31, 2015	For the year ended March 31, 2014
I	Revenue from operations	14	1,281,600,000	1,281,600,000
II	Other income	15	2,877,771	259,419
III	Total revenue (I + II)		1,284,477,771	1,281,859,419
IV	Expenses			
	Operating expenses	16	55,334,843	52,699,848
	Finance costs	17	1,114,714,197	1,165,431,962
	Administrative and general expenses	18	16,259,031	21,347,429
	Depreciation and amortization expense	8	701,824,541	659,247,646
	Total expenses		1,888,132,612	1,898,726,885
V	Profit / (Loss) before taxation (III-IV)		(603,654,841)	(616,867,466)
VI	Tax expense:			
	(1) Current tax		-	-
	(2) Excess provisions of Earlier Year Written Back		-	-
	(3) MAT credit entitlement		-	-
	(2) Deferred tax (net)		-	-
	Total tax expense (VI)		-	-
VII	Profit / (Loss) for the year (V-VI)		(603,654,841)	(616,867,466)
	Earnings per equity share (Face value per share Rupees 10/-):	19		
	(1) Basic		(4.61)	(5.99)
	(2) Diluted		(4.61)	(5.99)

Notes 1 to 23 form part of the financial statements

In terms of our report attached.

For LUTHRA & LUTHRA
Chartered Accountants
Firm Registration No.002081N

Akhillesh Gupta
Partner
Mem. No. : 89909

Place: Mumbai
Date: April 29, 2015



For and on behalf of the Board

[Signature]

Director

[Signature]

Director

[Signature]
Chief Financial Officer
Place: Mumbai
Date: April 29, 2015

[Signature]
Company Secretary

HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Cash Flow Statement for the year ended March 31, 2015

Amount in ₹

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Cash Flow from Operating Activities		
Profit Before Taxes, Minority Interest and Share of Associates	(603,654,841)	(616,867,466)
Adjustments for :-		
Depreciation	701,824,541	659,247,646
Interest Received on Fixed Deposit	(2,877,771)	(259,419)
Interest & Finance Expenses	1,114,714,197	1,165,431,962
Operating profit/(Loss) before Working Capital Changes	1,210,006,126	1,207,552,723
Adjustments for changes in working capital:		
(Increase) / Decrease in Other Current, Other Non-Current Assets & Trade Receivables	24,257,697	59,511,172
Increase / (Decrease) in Other Current, Other Non-Current Liabilities & Trade Payables	(10,340,068)	408,978,775
Operating Cash Flows after Working Capital Changes	1,223,923,755	1,676,042,670
Direct Taxes paid (Net)	(13,050,768)	(16,815,238)
Net Cash generated from Operating Activities (A)	1,210,872,987	1,659,227,432
Cash flow from Investing Activities		
Purchase of Fixed Assets (Including Construction of "Road")	(568,457,447)	(576,637,773)
Increase / (Decrease) in Other Current, Other Non-Current Liabilities & Trade Payables	(171,315,995)	(967,016,999)
(Increase) / Decrease in Other Current, Other Non-Current Assets & Trade Receivables	(140,344,137)	701,080,116
Bank balances not considered as Cash and cash equivalents	-	-
Interest Received	2,877,771	259,419.00
Net Cash used in Investing Activities (B)	(877,239,808)	(842,315,237)
Cash flow from Financing Activities		
Issue of Equity Share capital	-	1,309,500,000
Share Application Monies Received	-	(964,500,000)
Proceeds from Long-term Borrowings	-	100,000,000
Proceeds from Short-term Borrowings	1,268,800,000	590,000,000
Proceeds from Non-Convertible Debentures	1,700,000,000	-
Repayment of Short-term Borrowings	(385,000,000)	-
Repayment of Long-term Borrowings	(2,150,235,253)	(321,326,400)
Interest and Finance Charges Paid	(1,115,460,054)	(1,165,431,963)
Net Cash generated from Financing Activities (C)	(681,895,307)	(451,758,363)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(348,262,128)	365,153,832
Cash and Cash Equivalent at the beginning of the period	385,849,702	20,695,870
(+)(-) Impact of forex differences	-	-
Cash and Cash Equivalent at the end of the year	37,587,574	385,849,702
Net Increase / (Decrease) in Cash & Cash Equivalents	(348,262,128)	365,153,832
Notes:		
Components of Cash & Cash Equivalent		
Cash on Hand	839	6,924
Balance with Scheduled Banks - Current Accounts	37,586,735	385,842,778
Balance with Scheduled Banks in term deposits (maturity less than 3 months)	-	-
	37,587,574	385,849,702
Unpaid Dividend Accounts	-	-
Bank balances / deposits held as margin money or as security against borrowings	140,344,137	-
Cash and Cash Equivalents as per Balance Sheet	177,931,711	385,849,702

Notes 1 to 23 form part of the financial statements

In terms of our report attached:
For LUTHRA & LUTHRA
Chartered Accountants
Firm Registration No. 0020819

Akhilesh Gupta
Partner
Mem. No. : 89909

Place: Mumbai
Date: April 29, 2015

For and on behalf of the Board



Director



Director



Chief Financial Officer



Company Secretary

Place: Mumbai
Date: April 29, 2015

HAZARIBAGH RANCHI EXPRESSWAY LIMITED

Note – 1: Background and Significant Accounting Policies

(A) Background:

The Company was incorporated under the Companies Act 1956 on March 19, 2009. It was issued "Certificate of Commencement of Business" on May 19, 2009. The Company was originally formed as "ITNL Highways Development Company Ltd" and its name was changed to 'Hazaribagh Ranchi Expressway Limited' with effect from May 11, 2009.

The Company is a special purpose vehicle (SPV) promoted by IL&FS Transportation Networks Limited (ITNL). The Company has entered into a Concession Agreement with National Highways Authority of India (NHAI) on October 08, 2009 to Design, Engineer, Finance, Procure, Construct, Operate and Maintain 4 laning Hazaribagh-Ranchi section of NH-33 from km 40.500 to km 114.000 in the State of Jharkhand on Build, Operate and Transfer (Annuity) basis. The Concession Agreement envisages concession for a period of 18 years commencing from the appointed date including construction period of 910 days required for 4 laning of the Project.

(B) Significant Accounting Policies

1. Basis of Accounting:

These Financial Statements have been specifically prepared in accordance with the Accounting Principles generally accepted in India, including the Accounting Standard specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 .All income and expenditure having a material bearing on the financial statements are recognised on an accrual basis

2. Presentation and disclosure of financial statements :

During the year, the Revised Schedule VI notified under the Act has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact the recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements.

3. Use of estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the Management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosures of an item or information in the financial statements have been made relying on these estimates to a greater extent.

HAZARIBAGH RANCHI EXPRESSWAY LIMITED

4. Revenue Recognition

The Concession Agreement envisages Revenue in the form of Annuity of a fixed sum on pre-determined dates (not more than twice a year). The Annuity payment will start accruing to the Company, six months after the Commercial Operation Date ("COD"). As the Project is still under construction stage, no revenue has been recognised.

5. Revenue Recognition

An asset is classified as current when it satisfies following criteria:

- a) It is expected to be realized in or is intended for sale or consumption in, the company's operating cycle;
- b) It is expected to be realised within 12 months after the reporting date;
- c) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as Non-current.

A liability is classified as current when it satisfies any of following criteria:

- a) It is expected to be settled in the company's normal operating cycle;
- b) It is due to be settled within 12 months after the reporting date;
- c) The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as Non-current.

6. Fixed Assets

All fixed assets are stated at cost less accumulated depreciation. For this purpose cost includes purchase price and all other attributable costs of bringing assets into working condition and location for intended use. Assessment of indication of impairment of an asset is made as at the reporting date and impairment loss, if any is recognised.



HAZARIBAGH RANCHI EXPRESSWAY LIMITED

7. Depreciation

As per notification dated, March 26, 2014 issued by the Ministry of Corporate Affairs, Schedule II "Useful Lives to compute Depreciation" of the Companies Act, 2013 comes into effect from April 1, 2014 which prescribes the useful lives for determining the depreciation charge for the tangible assets. Accordingly, with effect from April 1, 2014, the Company has modified the useful lives of the certain tangible assets in line with Schedule II of the Companies Act, 2013 and additionally the Company has decided to use the Straight Line Depreciation Method (SLM) in place of Written Down value Depreciation Method (WDV) for all the tangible assets. The useful lives of the tangible assets as determined by the Company are as stated below:

- (i) All tangible assets are depreciated on a Straight Line Depreciation Method, over the useful life of assets as prescribed under Schedule II of the Companies Act 2013 other than assets specified in para (ii) below
- (ii) Following assets are depreciated over a useful life which is shorter than the life prescribed under Schedule II of the Companies Act 2013 based on the Management's estimate of useful life based on their usage
 - a) Data Processing Equipment – Server and Networking equipment are depreciated over a period of four years
 - b) Mobile Phones and I pad / Tablets are fully depreciated in the year of purchase
 - c) Specialised office equipment's are depreciated on Straight Line Method over a period of three years
 - d) Vehicles purchased by the company for employees, are depreciated over a period of five years
 - e) Assets provided to employees are depreciated over a period of three years
 - f) Leasehold improvement costs are capitalised and amortised over the period of lease agreement
 - g) All categories of assets costing less than ₹. 5,000/- each are fully depreciated in the year of purchase.
- (iii) The residual value of all the assets is retained at ₹.1/- each

HAZARIBAGH RANCHI EXPRESSWAY LIMITED

8. Capital Work-in-Progress

Capital Work-in-progress includes direct and attributable expenses for construction of Road net of interest earned on Fixed deposits.

9. Impairment of Assets

The carrying values of assets of the Company's cash-generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

10. Preliminary Expenditure

Preliminary Expenses incurred on incorporation of the Company are charged to the Profit & Loss Account for the period during which these expenses are incurred.

11. Borrowing costs

Borrowing costs attributable to construction of the road are treated as a part of Capital Work in progress for subsequent capitalization on commencement of commercial operations of the road.

12. Accounting for Taxes on Income

Provision for current income tax is made after taking into consideration benefits admissible under the provisions of the Income - tax Act, 1961. Deferred tax resulting from "timing differences" between book and tax profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognized and carried forward only if there is a virtual/ reasonable certainty that the assets will be realized in future. The carrying amount of deferred tax asset is reviewed at each balance sheet date.

13. Provisions, Contingent Liabilities and Assets

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires outflow of resources, which can be reliably estimated. Disclosures for a contingent liability is made, without a provision in books, when there is an obligation that may, but probably will not, require outflow of resources. Contingent Assets are neither recognized nor disclosed.

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14. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby net profits / loss before tax are adjusted for the effect of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The Cash flows from regular revenue generating; investing and financing activities are segregated.

Cash and cash equivalents in the cash flow statement comprises of cash at bank and in hand and term deposits with banks, if any.

15. Earnings per Share (EPS):

Basic Earnings per share is calculated by dividing the net profit / (loss) after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares issued during the year.

The number of shares used in computing Diluted EPS comprises the weighted average number of equity shares considered for deriving Basic EPS, and also the weighted average number of equity shares that could have been issued on the conversion of all Dilutive potential equity shares. Dilutive potential shares are deemed to be converted as at the beginning of the period unless issued at a later date.



HAZARIBAGH RANCHI EXPRESSWAY LIMITED

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

Note 2: Share capital

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	₹	Number	₹
Authorised Equity Shares of Rupees 10/- each	132,000,000	1,320,000,000	132,000,000	1,320,000,000
Issued Equity Shares of Rupees 10/- each	131,000,000	1,310,000,000	131,000,000	1,310,000,000
Subscribed and Paid up Equity Shares of Rupees 10/- each fully paid (refer foot note no. i, ii, iii and iv)	131,000,000	1,310,000,000	131,000,000	1,310,000,000
Total	131,000,000	1,310,000,000	131,000,000	1,310,000,000

Foot Notes:
i. Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. Each holder of these ordinary shares are entitled to receive dividends as and when declared by the company. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportionate to the number of equity shares held by the shareholders.

ii. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2015		As at March 31, 2014	
	Equity Shares		Equity Shares	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year	131,000,000	1,310,000,000	50,000	500,000
Shares issued during the year	-	-	130,950,000	1,309,500,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	131,000,000	1,310,000,000	131,000,000	1,310,000,000

iii. Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited (Holding Company)	130,986,900	99.99	96,940,000	74
Punj Llyod Limited	13,100	0.01	34,060,000	26
Total	131,000,000	100	131,000,000	100

iv. Of the above 13,09,86,900 shares are held by the holding Company and its nominees (As at March 31, 2014 : 9,69,40,000 shares)

Note 3: Reserves and surplus

Amount in ₹

Particulars	As at March 31, 2015		As at March 31, 2014	
Profit / (Loss) Surplus				
Opening balance	(857,040,298)		(240,172,832)	
(+) Profit/(Loss) for the current period	(603,654,841)	(1,460,695,139)	(616,867,466)	(857,040,298)
Total		(1,460,695,139)		(857,040,298)



Note 4: Long-term borrowings

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Debentures				
(i) Secured				
Non convertible debentures	1,591,660,000		-	
Deep discount bonds	-	1,591,660,000	-	
(b) Term Loans				
(i) Secured				
From banks	1,806,280,962		5,577,693,200	
From financial institutions	2,282,712,631		450,000,000	
From Holding Company (Secured by way of second pari passu charge over all assets other than project assets)	500,000,000		500,000,000	
		4,588,993,593		6,527,693,200
(ii) Unsecured				
From banks	457,142,857		685,714,286	
From financial institutions	71,428,572	528,571,429	100,000,000	785,714,286
Total		6,709,225,022		7,313,407,486

Note 5: Current maturities of long-term debt

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Debentures				
(i) Secured				
Non convertible debentures	108,340,000		-	
Deep discount bonds	-		-	
From related party	-	108,340,000	-	
(b) Term Loans				
(i) Secured				
From banks	123,657,376		349,617,200	
From financial institutions	148,709,892	272,367,268	20,000,000	369,617,200
(ii) Unsecured				
From banks	228,571,429		114,285,714	
From financial institutions	28,571,428	257,142,857	-	114,285,714
Total		637,850,125		483,902,914

Foot Notes:

1. Non-Convertible Debentures:

The Company had issued 1,70,000 Secured Non-Convertible Debentures at the face value of Rs. 10,000/- each to "India Infradebt Limited" carrying interest at 9.75%. The Debentures are secured by hypothecation of:

- All movable, tangible and intangible assets, receivables, cash and investments created as part of the project other than the Project Assets.
- Monies lying in Escrow Account into which all the investments in the Project and all Project revenues and insurance proceeds are to be deposited.
- Assignment of all rights, title, benefits, claims and demands of the Issuer/Company under Project Agreements i.e. Concession agreement, Substitution agreement, Construction contract and operations contract, etc.
- Assignment of all rights under project guarantees obtained pursuant to development contract or operations contract, if any relating to the project.
- First ranking assignment of all contract, documents, insurance, clearances and interests of the Issuer/Company

Repayment is classified in Foot Note 4

2. Term Loans Secured By:

(i) Term loans from banks and financial institutions are secured by hypothecation of:

- All movable, tangible and intangible assets, receivables, cash and investments created as part of the projects.
- All the monies lying in Escrow Account into which all the investments in the Project and all Project revenues and insurance proceeds are to be deposited.
- Assignment of all rights, title, benefits, claims and demands of the Borrowers under Project Agreements i.e. Concession agreement, Substitution agreement, Construction contract and operations contract, etc.
- Assignment of all rights under project guarantees obtained pursuant to development contract or operations contract, if any relating to the project.
- First ranking assignment of all contract, documents insurance contracts/insurance Proceeds (Security Trustee to be named as loss payee), clearances and interests of the Borrower.
- Debt Service Reserve Account and any other accounts required to be created by the Borrower under any Project agreement contract.

3. Terms of Repayment:

- The Company is repaying the term loans to each of the senior lenders in 43 unequal quarterly installments commencing in the quarter ending December 31, 2012 and terminating on December 31, 2023, as the repayment schedule, as set out in Footnote given below.
- Amounts repaid by the Company shall not be re-borrowed.
- Any senior lenders may, in suitable circumstances, at the request of the Company and subject to consent of the other senior lenders revise or vary the repayment schedule or postpone the payment of any specific repayment installment(s) or part thereof, upon such terms and conditions shall form a part of this agreement as an amendment to repayment schedule hereto.
- If for any reason the amount finally disbursed by the senior lenders is less than the total commitments, the repayment installments shall stand reduced proportionately but shall be paid on the repayment dates as set out in the repayment schedule.
- In the event of any default in the payment of the repayment installments of principal, interest and default interest, postponement, if any, allowed by any of the senior lenders shall be at the rate of interest as may be stipulated by the concerned senior lenders at the time of postponement.

4. Repayment Schedule:

Senior Debt : in 45 unequal quarterly installments commencing in the quarter ending December 31, 2012 and terminating on December 31, 2023.

Senior Debt (Take out Loan): in 45 unequal quarterly installments commencing in the quarter ending September 30, 2014 and terminating on September 30, 2025.

Sub -Debt in 5 unequal quarterly installments commencing in the quarter ending September 30, 2025 and terminating on September 30, 2026:

Financial Year	Amount of Secured Non Convertible Debentures - Repayment (Amt. in Rs.)	Amount of Senior Debt from Banks Repayment (Amt. in Rs.)	Amount of senior debt from Financial Institution Repayment (Amt. in Rs.)	Amount of Sub Debt Repayment (Amt. in Rs.)	Amount of Unsecured Loan - Bank Repayment (Amt. in Rs.)	Amount of Unsecured Loan - Financial Institution Repayment (Amt. in Rs.)
2015-16	108,340,000	123,657,376	148,709,892		228,571,429	28,571,429
2016-17	126,460,000	132,490,044	173,909,892		228,571,429	28,571,429
2017-18	126,460,000	141,322,716	152,909,892		228,571,429	28,571,429
2018-19	129,960,000	158,155,384	173,909,892			14,285,714
2019-20	144,260,000	158,988,056	194,909,892			
2020-21	149,820,000	167,820,724	203,909,892			
2021-22	171,840,000	185,986,068	230,847,252			
2022-23	174,420,000	194,318,732	252,929,672			
2023-24	162,380,000	675,699,235	411,936,247			
2024-25	189,540,000	-	268,800,000			
2025-26	219,920,000	-	-	275,000,000		
2026-27	-	-	-	225,000,000		
	1,700,000,000	1,929,938,335	2,431,422,523	500,000,000	685,714,286	100,000,000

HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 6: Short-term borrowings

Particulars	As at March 31, 2015		As at March 31, 2014	
Loans repayable on demand				
Unsecured				
From Related party	2,203,800,000	2,203,800,000	1,320,000,000	1,320,000,000
Total		2,203,800,000		1,320,000,000

Note 7: Other current liabilities

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Statutory Dues		1,313,889		5,914,531
(b) Expenses Payable		2,522,520		8,261,946
(c) Payable to Related Parties for capital expenditure for others		35,513,175 98,443		214,934,488 1,089,973
(d) Income received in Advance		413,215,295		406,281,095
Total		452,663,322		636,482,033

Footnote:

According to the records available with the Company, there were no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the end of the year with the interest paid / payable as required under the said Act have not been given.



HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 8: Fixed assets

Particulars	Gross block (at cost)			Accumulated depreciation			Net block	
	Balance as at April 1st 2014	Balance as at March 31, 2015	Balance as at April 1st 2014	Adjustments	Depreciation charge for the Period	Balance as at March 31, 2015	Balance as at March 31, 2014	
a) Tangible assets								
Roads and bridges	10,709,977,923	11,316,175,480	1,006,500,050	-	701,824,072	9,607,851,358	9,703,477,873	
Data processing equipments	294,871	294,871	289,639	-	1,874	3,358	5,232	
Office equipments	55,280	55,280	41,145	(26,720)	40,849	6	14,135	
Furniture and fixtures	89,592	89,592	50,461	(26,847)	11,313	54,665	39,131	
Total	10,710,417,666	11,316,615,223	1,006,881,295	(53,567)	701,878,108	9,607,909,387	9,703,536,371	
b) Intangible assets								
Software / Licences	63,358	63,358	63,340	-	-	18	18	
Total	63,358	63,358	63,340	-	-	18	18	
Grand total	10,710,481,024	11,316,678,581	1,006,944,635	(53,567)	701,878,108	9,607,909,405	9,703,536,389	
Previous period	10,171,583,362	10,710,481,024	347,696,989	-	659,247,646	9,703,536,389	-	



HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 9: Long-term loans and advances

Amount in ₹

Particulars	As at March 31, 2015		As at March 31, 2014	
Other loans and advances				
Unsecured, considered good				
- Pre-Paid Expenses	11,076,802		16,722,785	
- Security Deposits	805,512	11,882,314	790,632	17,513,417
Total		11,882,314		17,513,417

Note 10: Other non-current assets

Amount in ₹

Particulars	As at March 31, 2015		As at March 31, 2014	
Other non-current assets				
- Interest accrued but not due		745,857	-	
Total		745,857		



HAZARIBAGH RANCHI EXPRESSWAY LIMITED

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

Note 11: Trade receivables

Amount in ₹

Particulars	As at March 31, 2015		As at March 31, 2014	
Trade receivables outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good				
- Others	3,229,158	3,229,158	3,229,158	3,229,158
Total		3,229,158		3,229,158

Note 12: Cash and cash equivalents

Amount in ₹

Particulars	As at March 31, 2015		As at March 31, 2014	
a) Cash and cash equivalents				
Cash on hand	839		6,924	
Balance with banks				
-on Escrow / Current accounts (refer foot note below)	37,586,735	37,587,574	385,842,778	385,849,702
b) Other Bank Balance				
Bank balances / deposits held as margin money or as security against borrowings or under lien less than 12 months		140,344,137		-
Total		177,931,711		385,849,702

Footnote

As per the Concession agreement entered into by the Company, the Company is required to maintain an Escrow Account with the Lead Bank and route all the receipts on account of borrowings / capital contribution / earnings / other receipts and project related expenditure through the same.

Note 13: Short-term loans and advances

Amount in ₹

Particulars	As at March 31, 2015		As at March 31, 2014	
Other loans and advances				
Unsecured, considered good				
- Advance payment of taxes (net of provision)	36,192,463		23,141,695	
- Cess Receivable	193,945		193,945	
- WCT Receivable	7,493,240		26,127,654	
- Pre-Paid Expenses	11,419,984		11,429,018	
- Others	16,854	55,316,486	-	60,892,312
Total		55,316,486		60,892,312



HAZARIBAGH RANCHI EXPRESSWAY LIMITED

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

Note 14: Revenue from operations

Amount in ₹

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
Annuity Income		1,281,600,000		1,281,600,000
Total		1,281,600,000		1,281,600,000

Note 15: Other income

Amount in ₹

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
Other non-operating income				
Interest on bank deposits	2,877,771	2,877,771	259,419	259,419
Total		2,877,771		259,419



HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 16: Operating expenses

Amount in ₹

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
Operation and maintenance expenses		55,334,843		52,699,848
Total		55,334,843		52,699,848

Note 17: Finance costs

Amount in ₹

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
(a) Interest expenses				
Interest on loans for fixed period		1,097,849,657	1,139,269,131	1,139,269,131
(b) Other borrowing costs				
Finance charges		16,864,540	26,162,831	26,162,831
Total		1,114,714,197		1,165,431,962

Note 18: Administrative and general expenses

Amount in ₹

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
Legal and consultation fees	9,929,317		10,764,194	
Travelling and conveyance	673,187		741,114	
Rates and taxes	11,754		4,950	
Bank commission	1,130,612		678,355	
Registration Expenses	2,500,000		3,549,500	
Communication expenses	47,965		70,718	
Insurance	799		2,536,632	
Deputation Cost	1,050,022		1,211,084	
Electricity charges	82,114		843,549	
Directors' fees	89,888		134,832	
Auditors' Remuneration	740,451		730,974	
Miscellaneous expenses	2,922	16,259,031	81,527	21,347,429
Total		16,259,031		21,347,429



HAZARIBAGH RANCHI EXPRESSWAY LIMITED

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

Note 19: Earnings per equity share

Particulars	Unit	For the year ended March 31, 2015	For the year ended March 31, 2014
Profit after tax and minority interest	₹	(603,654,841)	(616,867,466)
Profit available for Equity Shareholders	₹	(603,654,841)	(616,867,466)
Weighted number of Equity Shares outstanding	Numbers	131,000,000	102,927,398
Nominal Value of equity shares	₹	10.00	10.00
Basic Earnings per share	₹	(4.61)	(5.99)
Equity shares used to compute diluted earnings per share	Numbers	131,000,000	102,927,398
Diluted Earnings per share	₹	(4.61)	(5.99)

In the absence of clarity as to the impact of advance towards capital on the earnings of the Group, no adjustment has been made for potential dilution in computing diluted earnings per share.



HAZARIBAGH RANCHI EXPRESSWAY LIMITED

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

Note 20: Contingent liabilities, Capital Commitments and Other Information**1) Contingent liabilities : NIL**

Amount in ₹

Sr. No.	Particulars	As at March 31, 2015	As at March 31, 2014
1	Demand for Assessment Year 2011-12 for which the Company's appeal is pending with the appellate authority	1,697,720	-
2	Demand for Assessment Year 2012-13 for which the Company's appeal is pending with the appellate authority	2,801,010	-

2) Capital commitments**A) Operating commitments pending to be executed :**

Amount in ₹

Particulars			As at March 31, 2015	As at March 31, 2014
Sr. No.	Name of Party	Description		
1	IL&FS Trust Company Limited	Estimated amount of contracts to be executed on security trusteeship fees Rs. 500,000/- p.a. (upto the end of repayment of last installment of term loan)	4,000,000	4,500,000

B) Estimated amount of contracts remaining to be executed on capital and other account :

Amount in ₹

Particulars			As at March 31, 2015	As at March 31, 2014
Sr. No.	Name of Party	Description		
1	IL&FS Transportation Networks Limited	Estimated amount of contracts to be executed on capital account (net of capital advances of Rs. NIL [previous year ended March 31, 2014 Rs.NIL)	40,726,188	228,952,073
2	IL&FS Transportation Networks Limited	Estimated amount of contracts to be executed on Operation & Maintenance contract (Base Price Rs.44,500,000/- p.a. escalated @7% p.a. for the period upto the end of concession period)	1,055,619,919	1,110,954,762
4	Telegra India Private Limited	Installing & Commissioning of ATMS	-	288,126
5	Telegra India Private Limited	Supply of HTMS Equipments	-	411,672

3) Disclose the amount paid/Payable to Auditors :

Amount in ₹

Sr No	Name of Auditors	Description	As at March 31, 2015	As at March 31, 2014
1	Luthra & Luthra	Statutory Fees	561,800	561,800
		Other Services	178,651	165,168
		Reimbursement of Expenses (OPE)	-	4,006



HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 21: Related Party Statement

Nature of Relationship	Name of Entity	Acronym used
Holding Company :	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries	IL&FS Trust Company Limited	ITCL
	IL&FS Securities Services Limited	ISSL
	IL&FS Financial Services Limited	IFIN
	Elsamex India Pvt. Ltd.	EIPL
Associates :	NIL	NIL
Co - Venture :	NIL	NIL
Key Management personnel :	Rajnish Saxena - Managing Director till July 17, 2013	Managing Director
	Sanjay Minglani - Managing Director from July 17, 2013	Managing Director
	Chandrakant Jagasia	Chief Financial Officer
	Dilip Darji	Company Secretary
	Harish Mathur	Director
	Mukund Sapre	Director
	Vijay Kini	Director
Other Enterprises having significant influence over HREL	Punj Lyod Limited	PLL

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

Amount in ₹

Account head	Name of Entity	As at March 31, 2015	As at March 31, 2014
Balances:			
Share Capital	ITNL	1,309,869,000	969,400,000
Sundry Creditors	ITNL	35,611,618	136,724,666
Retention Money - Payable	ITNL	-	79,299,795
Secured Loan - Sub Debt	ITNL	500,000,000	500,000,000
Accrued Interest payable but not due	ITNL	-	-
Unsecured Short Term Loan	ITNL	2,203,800,000	1,320,000,000
Deposit Given	ITCL	1,000	1,000
Share Capital	PLL	131,000	340,600,000
Sundry Creditors	IFIN	1,921	5,561,820
Transactions:			
		For the year ended March 31, 2015	For the year ended March 31, 2014
Milestone Payment	ITNL	557,534,048	538,892,162
O & M Fees	ITNL	55,334,843	52,699,848
Interest Cost	ITNL	282,715,506	219,879,705
Deputation Cost	ITNL	1,050,022	1,211,084
Security Trustee Fees paid	ITCL	898,880	561,800
Loan Taken	ITNL	1,268,800,000	1,180,000,000
Loan Repaid	ITNL	385,000,000	590,000,000
Legal & Consultation Fees	ISSL	16,854	22,972
Professional Fees	IFIN	-	6,179,800
Director Sitting Fees	Sanjay Minglani	35,000	15,000
Director Sitting Fees	Deep Sen	-	25,000
Director Sitting Fees	Nishant Srivastav	-	10,000
Director Sitting Fees	Harish Mathur	15,000	25,000
Director Sitting Fees	Mukund Sapre	20,000	35,000
Director Sitting Fees	Rajnish Saxena	-	10,000
Director Sitting Fees	Vijay Kini	10,000	-

(10)

HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 22:

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


Consequent to the adoption of the revised policy on depreciation:

- A sum of Rs. NIL has been adjusted against the opening balance of retained earnings.
- The difference between accumulated depreciation as of March 31, 2014 recomputed as above and the corresponding accumulated depreciation in the books as per earlier method, amounting to Rs.53,567/- has been credited to the statement of Profit and Loss for the year ended March 31, 2015.
- Had the Group followed the earlier method of depreciation of tangible assets the charge to the statement of Profit and Loss for the year ended March 31, 2015 would have been lower by Rs. 43,695/- & consequently reserves and surplus would have been higher by Rs. 43,695/-

Note 23: Previous year

Figures for the previous year have been regrouped, reclassified where necessary, to conform to the classification of the current year.

For LUTHRA & LUTHRA
Chartered Accountants
Firm Registration No. 602081N


Akhilesh Gupta
Partner
Mem. No. : 89909



Place: Mumbai
Date: April 29, 2015


For and on behalf of the Board



Director



Director



Chief Financial Officer

Place: Mumbai
Date: April 29, 2015



Company Secretary