

HAZARIBAGH RANCHI EXPRESSWAY LIMITED

ANNUAL REPORT

2014-15

Board's Report

To,
The Shareholders
Hazaribagh Ranchi Expressway Limited

Your Directors have pleasure in presenting the Sixth Annual Report along with the Audited Financial Statements for the year ended March 31, 2015

FINANCIAL RESULTS

The financial results of the Company are as under

(Amount in Rupees)

Particulars	For the Year ended 31.03.2015	For the Year ended 31.03.2014
Total Income	1,284,477,771	1,281,859,419
Less: Total Expenditure	7,15,93,874	740,47,277
Profit /(Loss) before finance charges, Tax, Depreciation/Amortization (PBITDA)	1,212,883,897	1,207,812,142
Less : Finance Charges	1,114,714,197	1,165,431,962
Profit /(Loss) before Depreciation/ Amortization (PBTDA)	98,169,700	42,380,180
Less/ (Loss) : Depreciation	701,824,541	659,247,646
Net Profit /(Loss) before Taxation (PBT)	(603,654,841)	(616,867,466)
Provision for taxation	-	-
Profit/(Loss) after Taxation (PAT)	(603,654,841)	(616,867,466)
Provision for proposed dividend		
Dividend tax		

DIVIDEND AND RESERVES

Due to inadequacy of profits, your Directors have not recommended any dividend for the year under review and no amount was transferred to reserve

OPERATIONS OF THE COMPANY

Your Company continued to maintain and operate the Hazaribagh Ranchi Road project to the quality standards in accordance with the contractual requirements. During the year under review, the Company received annuity payment of ₹128.16 Crores from National Highways Authority of India.



The Concession Agreement (CA) was signed on October 08, 2009 and Appointed Date for the project was August 1, 2010. The Concession Period is for 18 years from the Appointed date. The Commercial Operation Date as September 15, 2012.

INTERNAL CONTROL SYSTEM

The Company had implemented an internal control framework (ICF) covering various aspects of the business which enables a stage-wise/process-wise confirmation of the compliance of the control self-assessment to be provided by the maker and reviewer of transactions and also facilitates audit, both at the Corporate and at the project levels. The internal audit is carried out by a firm of Chartered Accountants using the ICF and they report directly to the Audit Committee of the Board of Directors. The Corporate Audit function plays a key role in providing both the operating management and the Board's Audit Committee with an objective view and reassurance of the overall control systems.. The ICF is periodically modified so as to be consistent with operating changes for improved controls and effectiveness of internal control and audit.

The Internal Auditor's scope and authority are derived from the Internal Audit Plan, which is approved by the Audit Committee. The plan is modified from time to time to meet requirements arising from changes in law as well as out of the improved controls resulting from the implementation of the ICF. Internal audits are conducted every quarter and covers operations, accounting, secretarial and administration functions. It also provides special reference to compliances based on the audit plan. Internal audit reports are placed before the Audit Committee at regular intervals for review discussion and suitable action.

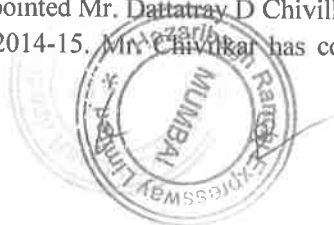
STATUTORY AUDITORS

M/s. Luthra & Luthra, Chartered Accountants, (Firm Registration No. 002081N) Statutory Auditors, were re-appointed as the Auditors of the Company to hold office from the conclusion of the Annual General Meeting (AGM) held on September 30th, 2014 till the conclusion of the 10th AGM of the Company to be held in 2019 for a period of five years, subject to ratification of their appointment by the Members at every AGM. A Certificate confirming their eligibility under Section 141 of the Companies Act, 2013 and Rules framed thereunder to continue as Auditors for the Financial Year (FY) 2015-16 have been received Statutory Auditors . The Members are requested to ratify the appointment of M/s. Luthra & Luthra as Statutory Auditors of the Company till the conclusion of the next AGM and to authorise the Board to fix their remuneration for the FY 2015-16

The report of the Statutory Auditor for the FY 2014-15 does not contain any qualifications, reservations or adverse remarks or disclaimers

COST AUDITOR AND COST AUDIT REPORT

Pursuant to Section 148 of the Companies Act 2013 and the Companies (Cost Records and Audit) Rules 2014 framed thereunder, the Board of Directors at their meeting held on 22nd July, 2014 had on the recommendation of the Audit Committee appointed Mr. Dattatray D Chivikar, Cost Accountant as the Cost Auditor of the Company for the FY 2014-15. Mr. Chivikar has confirmed his eligibility for



The Board of Directors has recommended to the Members remuneration payable to Mr.Chivilkar, Cost Auditor for the F.Y 2015-16 to be approved at the ensuing AGM

SECRETARIAL AUDIT & SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s Jayshree Dagli & Associates, Company Secretaries, to carry out the Secretarial Audit of the Company for the Financial Year 2014-15

The report of the Secretarial Auditor is enclosed as Annexure A. The report does not contain any qualification

SHARE CAPITAL/DEBENTURES

During the year under review there was no change in the Share Capital of the Company.

During the year, Punj Lloyd Limited had transferred 3,40,46,900 equity shares to IL&FS Transportation Networks Limited ("ITNL") which had changed the proportion of equity holding of ITNL and Punj Lloyd Limited as 99.99:0.01 as against their earlier holding of 74:26.

During the year under review, the Company had issued and Allotted 1,70,000 Unlisted Secured Redeemable Non- Convertible Debentures (the "Debentures") of the face value of ₹ 10,000 (Rupees Ten Thousands Only) each aggregating to ₹ 170,00,00,000 (Rupees One Hundred Seventy Crores Only), on a private placement basis to the INDIA INFRADEBT LIMITED

During the year under review, your Company has not allotted any equity shares with differential voting rights nor has granted any stock option or sweat equity. As on 31st March, 2015, none of the directors of the Company hold instruments convertible into Equity Shares of the Company

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any subsidiary Joint Venture, Associate Company or LLPs during the year under review

CHANGE IN THE NATURE OF BUSINESS

During the year under review there is no change in the nature of Business of the Company.

6

9



OTHER DISCLOSURES REQUIRED UNDER COMPANIES ACT, 2013

Extract of the annual return

The extract of annual return as on the financial year ended March 31, 2015 in Form No. MGT-9 is enclosed as Annexure B

Corporate Governance

(i) Board of Directors

During the year under review, Mr Paresh Shah (DIN: 00390117) and Mr Millan Chakravarti (DIN:07104909), were appointed as the Independent Directors of the Company on March 17, 2015 for a period of 3 years not liable to retire by rotation in accordance with the Section 149 , 152 and Schedule IV of the Companies Act, 2013. A Declaration has been received from the Independent Directors confirming the fulfilment of the criteria of independence provided in Section 149(6) of the Companies Act, 2013

During the year under review, Mr. Vijay Kini (DIN: 06612768), Ms Sumathy Iyer (06720409) were appointed as Additional Directors of the Company w.e.f. January 21, 2015 and Mr. M B Bajulge (DIN: 02503289) was appointed as an additional director of the Company w.e.f April 29, 2015

During the year under review, Mr. Mukund Sapre and Mr. Harish Mathur resigned as Director of the Company w.e.f. January 14, 2015 and March 4, 2015 respectively

Mr. Sanjay Minglani (DIN: 02960939) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. Your Directors recommend his appointment

The Board of Directors met 4 times during the year viz. April 23, 2014, July 22, 2014, October 17, 2014 and January 21, 2014. The details of the board meetings and the attendance of the Directors are provided below:

Sr. No	Name of Directors	No. of Board Meetings held during tenure	Meetings attended
1	Mr. Harish Mathur	4	3
2	Mr. Mukund Sapre	3	2
3	Mr. Sanjay Minglani	4	4
4	Mr. Vijay Kini	1	1

(ii) Key Managerial Persons

The Board of Directors at its Meeting held on January 21, 2015 have appointed Mr Dilip Darji as the Company Secretary and Key Managerial Personnel (KMP) and Mr Chandrakant Jagasia as the Chief Financial Officer and KMP of the Company.



During the year under review Mr. Rajesh Dwivedi was appointed as Manager and KMP of the Company in the Board Meeting held on October 17, 2014 and resigned w.e.f. July 22, 2015. Mr. Gautam Kumar Tandasi was appointed as Manager and KMP of the Company in the Board meeting held on July 22, 2015

(iii) Audit Committee

The Board of Directors has duly constituted the Audit Committee in terms of Section 177 of the Companies Act, 2013. The Audit Committee met 4 times during the year viz. April 23, 2014, July 22, 2014, October 17, 2014 and January 21, 2014. The details of the meetings and the attendance of the Members are provided below:

Sr. No	Name of Directors	No. of Meetings held during tenure	Meetings attended
1	Mr. Mukund Sapre	3	2
2	Mr. Harish Mathur	4	3
3	Mr. Sanjay Minglani	3	3

The Committee was reconstituted on March 31, 2015 and comprises of Mr. Vijay Kini, Mr Paresh Shah and Mr Millan Chakravarti, Directors as its Members

All the recommendations of the Audit Committee during the year were accepted by the Board of Directors of the Company

(iv) Corporate Social Responsibility Committee

In terms of Section 135 of the Companies Act, 2013, constitution of CSR Committee is not applicable to the Company

(v) Nomination & Remuneration Committee

In terms of Section 178 of the Companies Act, 2013, the Board of Directors at its Meeting held on January 21, 2015 constituted a Nomination & Remuneration Committee and also adopted a Managerial Remuneration Policy. The Committee was reconstituted on March 31, 2015 and comprises of Mr Vijay Kini, Mr Paresh Shah and Mr Millan Chakravarti as its Members

The Manager appointed by the Company are not paid any remuneration. Further, there are no employees on the rolls of the Company. In view of the aforesaid, no disclosures are required to made in terms of Rule 5 of the Appointment and Remuneration of Managerial Personnel Rules 2014



6

9



Related Party Transactions

All related party transactions during the year have been entered into in ordinary course of business and on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant transactions made with any of the related parties of the Company

Accordingly, there are no contracts or arrangements with related parties to be disclosed in Form AOC-2 pursuant to Clause (h) of Sub section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014

The Company has developed a Related Party Transactions Policy & Framework for the purpose of identification and approval of such transactions. A Statement of all related party transactions consummated as per the Related Party Transactions Policy & Framework is placed before the Audit Committee every quarter for their approval.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

Since, the Company does not have any manufacturing facility, the other particulars required to be provided in terms of the disclosures required under Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to the Company. There was no earning or outgoing of foreign exchange during the year under review

Vigil mechanism for directors and employees

In accordance with the provisions of the Companies Act, 2013 the Company has established a vigil mechanism by adopting a Whistle Blower Policy for the directors and employees to report genuine concerns or grievances

The administration of the vigil mechanism is being done through Audit Committee

We confirm that during the financial year 2014-2015, no employee of the Company was denied access to the Audit Committee

Deposits

During the year under review the Company has not accepted Fixed Deposits

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

During the year under review, the Company has not made any investments nor given any loans / guarantees / provided security in connection with a loan granted to any person or body corporate in terms of Section 186 of the Companies Act, 2013

6

✓



Performance Evaluation:

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The performance evaluation of the Directors, the Board and its Committees was carried out based on the criteria /manner recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

The performance evaluation of the Independent Directors was also carried out by the entire Board. Your directors express their satisfaction with the evaluation process

Policy for Prevention of Sexual Harassment at workplace

The Company has provided a safe and dignified work environment for its employees which is free of discrimination, intimidation and abuse. The Company has adopted a Policy for Prevention of Sexual Harassment of Women at Workplace under the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Act"). The objective of this policy is to provide protection against sexual harassment of women at workplace and for redressal of complaints of any such harassment. The Internal Complaints Committee to redress the complaints received under the Act is in place

Material Changes and Commitments affecting the financial position of the Company

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.

Significant and Material Orders passed by the Regulators or Courts or Tribunals

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations

Particulars of Employees

There were no such employees of the Company for which the information required to be disclosed pursuant to Section 197 of the Companies Act 2013 read with Rule 5(2)&(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014



Risk Management

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. There are no risks which in the opinion of the Board affect the Company operations on going concern basis.

The Board periodically reviews the risks and measures are taken for mitigation

Directors' Responsibility Statement

In terms of provisions of Section 134(5) of the Companies Act, 2013, your Directors based on the representations received from the Operating Management confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the [profit / loss] of the company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgements

The Directors place on record their appreciation for the support and co-operation received from various Government Authorities including National Highway Authority of India and other Regulatory Authorities, Banks, Financial Institutions and Shareholders of the Company



For and on behalf of the Board

Director
(DIN: 06612768)

Director
(DIN: 06720409)

Mumbai, July 22, 2015

Form No. MGT-9**EXTRACT OF ANNUAL RETURN**
as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

i) CIN: U45203MH2009PLC191070

ii) Registration Date: 19/03/2009

iii) Name of the Company: Hazaribagh Ranchi Expressway Limited

iv) Category / Sub-Category of the Company: Company Limited by Shares

v) Address of the Registered office and contact details: The IL&FS Financial Centre, Plot C 22, G Block, Bandra Kurla Complex, Mumbai-400051, Contact No. 022-26533333, Email ID: itnl.secretarial@ilfsindia.com

vi) Whether listed company Yes / No: No

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any

Link InTime India Pvt Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, Phone: +91 22 25963838

II. Principal business activities of the company

Business activities contributing 10 % or more of the total turnover of the company are:-

Sl.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Construction and maintenance of motorways, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways	42101	100 %

III. Particulars of holding, subsidiary and associate companies

S. NO	Name and Address of The company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	IL&FS Transportation Networks Limited	L45203MH2000PLC129790	Holding	99.99%	2 (87)(ii)



IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.		13,10,00,000	13,10,00,000	100%		13,10,00,000	13,10,00,000	100%	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-		13,10,00,000	13,10,00,000	100%		13,10,00,000	13,10,00,000	100%	Nil
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-		13,10,00,000	13,10,00,000	100%		13,10,00,000	13,10,00,000	100%	Nil
Total shareholding of Promoter (A) = (A)(1)+(A)(2)		13,10,00,000	13,10,00,000	100%		13,10,00,000	13,10,00,000	100%	Nil
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-



b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2.Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		13,10,00,000	13,10,00,000	100 %		13,10,00,000	13,10,00,000	100%	Nil

6 a

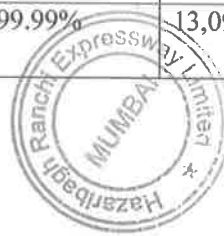


ii) **Shareholding of Promoters**

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	IL&FS Transportation Networks Limited	9,69,40,000	74%	-	13,09,86,900	99.99%	-	Nil
	Total	9,69,40,000	100%		13,09,99,940	100%		

iii) **Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	ITNL- 96,939,940	74%		-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	31/03/2015- 34,046,900(Increase) (Transfer of Shares)		13,09,86,840	99.99%
	At the end of the year	ITNL- 13,09,86,840	99.99%	13,09,86,840	99.99%



iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year	Punj Llyod- 34,060,000	24%		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	31/03/2015- 34,046,900(Decrease) (Transfer of Shares)		13100	0.01%
	At the End of the year (or on the date of separation, if separated during the year)	Punj Llyod- 13,100	0.01%	13100	0.01%

v) **Shareholding of Directors:**

Sl. No.	Name of the Director		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		For Each of the Directors				
1	Mr. Vijay Kini (Director)	At the beginning of the year	10	-	10	-



		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year	10	-	10	-

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payments

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6897310400	2220000000	0	9117310400
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	6897310400	2220000000	Nil	9117310400
Change in Indebtedness during the financial year • Addition • Reduction	1700000000 (2035949538)	1268800000 (499285715)	140344137 Nil	3109144137 (2535235253)
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the				



end of the financial year				
i) Principal Amount	6561360861	2989514286	140344137	9591219284
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	745857	745857
Total (i+ii+iii)	6561360861	2989514286	141089994	9691965141

VI. Remuneration of directors

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Nil

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total amount
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (A)	Nil	Nil	Nil	Nil	Nil
	Ceiling as per the Act	being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013				



B. Remuneration to other directors:

Sl no.	Particulars of Remuneration	Name of Directors				Total
		HARISH MAHUR	MUKUN D SAPRE	SANJAY MINGLANI	VIJAY KINI	Amount
1	Independent Directors					
	- Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil
	- Commission	Nil	Nil	Nil	Nil	Nil
	- Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil	Nil
2	Other Non-Executive Directors	Nil	Nil	Nil	Nil	Nil
	- Fee for attending board committee meetings	15,000	20,000	35,000	10,000	80,000
	- Commission	Nil	Nil	Nil	Nil	Nil
	- Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (2)	15,000	20,000	35,000	10,000	80,000
	Total (B)=(1+2)	15,000	20,000	35,000	10,000	80,000
	Total Managerial Remuneration	15,000	20,000	35,000	10,000	80,000
	Overall Ceiling as per the Act	being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013				



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD - Nil

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2)Income-tax Act,1961 (c)Profits in lieu of salary under section17(3)Income-	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit	Nil	Nil	Nil
5.	Others, (Performance Related Pay)	Nil	Nil	Nil
	Total	Nil	Nil	Nil

VII. Penalties / punishment/ compounding of offences - Nil

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. Other officers in default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil



Jayshree S. Joshi

B. Com. (Hons.), LL.B., F.C.S.
PROPRIETRESS



PHONE : 2262 2341 - 2 - 3
E-MAIL : jayshreedagli@gmail.com
suyashri@vsnl.com

JAYSHREE DAGLI & ASSOCIATES

COMPANY SECRETARIES

Date: 15th May, 2015

To,
The Members,
HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For JAYSHREE DAGLI & ASSOCIATES
COMPANY SECRETARIES

JAYSHREE S. JOSHI
F.C.S.1451 C.P.487

PS: Attached hereto is our Secretarial Audit Report (Form No. MR-3) of Even Date.

Jayshree S. Joshi

B. Com. (Hons.), LL.B., F.C.S.
PROPRIETRESS



PHONE : 2262 2341 - 2 - 3
E-MAIL : jayshreedagli@gmail.com
suyashri@vsnl.com

JAYSHREE DAGLI & ASSOCIATES

COMPANY SECRETARIES

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Mumbai

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hazaribagh Ranchi Expressway Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

(A) We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Hazaribagh Ranchi Expressway Limited** ("the Company") for the financial year ended 31st March, 2015 according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

Contd.....2.





:: 2 ::

4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

(a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

5. We are given to understand that based on the nature of the business activities of the Company, there is no specific regulation/law applicable to the Company.

(B) We have also examined the compliance with the applicable clauses of the following:

1. Secretarial Standards as notified to be effective from 1st July, 2015 and hence compliance thereof is not to be considered /not required to be certified.

During the period under review, the Company has generally complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the period under review, the provisions of following Act / Regulations were not applicable to the Company:

- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment;
- (ii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014;
- (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009;
- (iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations 1998.
- (v) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (vi) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (vii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;



Contd....3

Jayshree S. Joshi

B. Com. (Hons.), LL.B., F.C.S.
PROPRIETRESS



PHONE : 2262 2341 - 2 - 3
E-MAIL : jayshreedagli@gmail.com
suyashri@vsnl.com

JAYSHREE DAGLI & ASSOCIATES

COMPANY SECRETARIES

::3::

We further report that –

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the relevant Act.

Adequate notice had been given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and that a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Unanimous decisions were carried through as there was no case of dissent of any Director in respect of any decision and was accordingly captured and recorded as part of the minutes.

We further report that–

There are adequate systems and processes in place in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has following specific event(s)/action(s) having major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc.

(i) Issued and Allotted 170,000 Non-Convertible Debenture of Rs. 10,000/- each;

Place: Mumbai

Date: 15th May, 2015

For **JAYSHREE DAGLI & ASSOCIATES**
COMPANY SECRETARIES

JAYSHREE S. JOSHI
F.C.S.1451 C.P.487

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.

(N)

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.**

R

- 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		As At 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)	(150,695,139)	(857,040,298)	452,959,702
2	NON-CURRENT LIABILITIES					
	(a) Long-term borrowings	4	6,709,225,022	6,709,225,022	7,313,407,486	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	3,298,485,049	636,482,033	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		-	9,607,909,405	37,740,110	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	236,477,356	60,892,312	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. 002081M

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

[Signature]

Director

[Signature]
Company Secretary

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

Particulars	Amount in ₹	
	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. 002081N

Akhilesh Gupta
Partner
Mem. No. : 89909

Place: Mumbai
Date: April 29, 2015

For and on behalf of the Board

[Signature]
Director

Director

[Signature]
Chief Financial Officer

Place: Mumbai
Date: April 29, 2015

[Signature]
Company Secretary

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.

HAZARIBAGH RANCHI EXPRESSWAY LIMITED

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	-	108,340,000	-	
From related party	-		-	
(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 has 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	203,309,892			
2021-22	171,440,000	185,486,068	230,647,252			
2022-23	171,420,000	194,318,732	252,929,672			
2023-24	162,380,000	6,75,699,235	411,936,247			
2024-25	189,540,000	-	268,800,000			
2025-26	219,920,000	-	219,450,000	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		35,513,175		214,934,488
for others		98,443		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			Amount in ₹	
	Balance as at April 1st 2014	Additions	Balance as at March 31, 2015	Balance as at April 1st 2014	Adjustments	Depreciation charge for the period	Net block Balance as at March 31, 2015	Net block Balance as at March 31, 2014
a) Tangible assets								
Roads and bridges	10,709,977,923	606,197,557	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	606,197,557	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	606,197,557	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	558,897,663	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	-

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. 002081N


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

Hazaribagh Ranchi Expressway Limited

Regd. Office : The IL&FS Financial Center, Plot C-22, G Block,
Bandra Kurla Complex, Mumbai- 400051
Tel : 022-26533333 Fax : 022-26523979
CIN : U45203MH2009PLC191070

NOTICE OF THE SIXTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Sixth Annual General Meeting of the Members of Hazaribagh Ranchi Expressway Limited will be held at the Registered Office of the Company at The IL&FS Financial Center, Plot No. C-22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051 on Friday, September 25, 2015, at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Financial Statement containing the Balance Sheet as at March 31, 2015 and the Profit & Loss Account, Cash Flow Statement, notes and schedules forming part of the Financial Statement for the year ended March 31, 2015 on that date together with the Report of the Directors and the Auditors thereon.


“RESOLVED THAT pursuant to section 134 of the Companies Act, 2013 Financial Statement containing the Balance Sheet as at March 31, 2015 and the Profit & Loss Account, Cash Flow Statement, notes and schedules forming part of the Financial Statement for the Financial Year ended 31st March 2015 together with the Directors’ Report and Auditors’ Report thereon be and are hereby received, considered and adopted.”

- (2) To appoint a Director in place of Mr Sanjay Minglani (Din No. 02960939), who retires by rotation and being eligible offers himself for re-appointment

“RESOLVED THAT Mr Sanjay Minglani (Din No. 02960939) who retires by rotation, and being eligible, offers himself for re-appointment be and is hereby re-appointed as Director”.

- (3) To ratify the appointment of M/s. Luthra & Luthra Associates, Statutory Auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

“RESOLVED THAT, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. Luthra & Luthra Associates, Chartered Accountants, Registration No. 002081N, as the Statutory Auditors of the Company be and is hereby ratified for the Financial Year 2015-16, who shall hold office till the next Annual General Meeting and authorized the Board of Directors to determine their remuneration



Hazaribagh Ranchi Expressway Limited

Regd. Office : The IL&FS Financial Center, Plot C-22, G Block,
Bandra Kurla Complex, Mumbai- 400051
Tel : 022-26533333 Fax : 022-26523979
CIN : U45203MH2009PLC191070

SPECIAL BUSINESS:

- (4) To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s) or re-enactment(s) thereof, Mr. Dattatray Chivilkar, Cost Accountant appointed by the Board of Directors to conduct the audit of the cost records of the Company for FY 2015-16 be paid a remuneration of ₹ 60,000/- plus service tax as applicable and reimbursement of out of pocket expenses incurred by him in connection with the aforesaid audit”

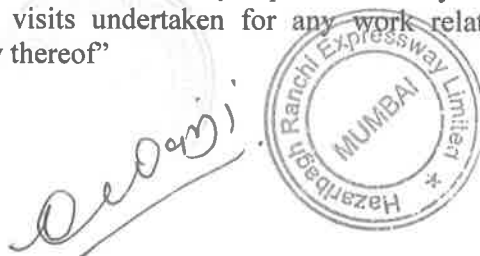
- (5) To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr M B Bajulge (DIN: 02503289), who was appointed as an Additional Director on the Board of the Company with effect from April 29, 2015 in terms of Section 161 of the Companies Act, 2013 (“the Act”) and subject to other applicable provisions, if any, of the Act and the rules made there under (including any statutory modification(s) or re-enactment thereof and any rules made thereunder, for the time being in force) and pursuant to provisions of Articles of Associations of the Company and subject to such other approvals as may be required and in respect of whom the Company has received a notice from a Member in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation”

- (6) To consider and if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:

“RESOLVED THAT pursuant to Section 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded to the appointment of Mr. Gautam Kumar Tandasi as Manager of the Company within the meaning of Section 2(53) of the Companies Act, 2013 for a period of 5 years effective July 22, 2015 on the following terms and conditions:

- (i) shall not draw any remuneration from the Company as Manager
- (ii) shall be paid/reimbursed any expenses actually incurred / borne for any travel or visits undertaken for any work related to the Project or Company thereof”



Hazaribagh Ranchi Expressway Limited

Regd. Office : The IL&FS Financial Center, Plot C-22, G Block, Bandra Kurla Complex, Mumbai- 400051
Tel : 022-26533333 Fax : 022-26523979
CIN : U45203MH2009PLC191070

“RESOLVED FURTHER THAT any one Director of the Company or Company Secretary be and is hereby authorized to do all such acts, deeds and things, as it may, in its absolute discretion, consider necessary, and also to file necessary e-forms with the Ministry of Corporate Affairs to give effect to the above resolution”

For and on behalf of the Board of Directors
Hazaribagh Ranchi Expressway Limited



Dilip Darji
Company Secretary

Mumbai
July 22, 2015

Registered Office:

Plot No.C-22, G Block, Bandra-Kurla Complex
Bandra (East), Mumbai 400 051

Plot No.C-22, G Block, Bandra-Kurla

NOTE:

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING**
- b) **All the documents referred to in the accompanying notice are open for inspection at the registered office of the company during the office hours between 9:30 a.m. to 06:00 p.m. up to the time of Annual General Meeting.**
- c) **The relative Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, in respect of the business at Item Nos. 4 to 6 of the accompanying notice are annexed hereto**

Hazaribagh Ranchi Expressway Limited

Regd. Office : The IL&FS Financial Center, Plot C-22, G Block,
Bandra Kurla Complex, Mumbai- 400051
Tel : 022-26533333 Fax : 022-26523979
CIN : U45203MH2009PLC191070

EXPLANATORY STATEMENT

THE FOLLOWING EXPLANATORY STATEMENT SETS OUT THE MATERIAL FACTS WITH RESPECT TO THE NOTICE DATED JULY 22, 2015 AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No 4:

The Board of Directors on the recommendation of the Audit Committee, had approved the appointment of Mr. Dattatray Chivilkar, Cost Accountant, to conduct the audit of the cost records of the Company for FY 2015-16

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Members are requested to approve the remuneration payable to the Cost Auditor for the financial year ending March 31, 2015, as set out in the Resolution Nos. 4 of the Notice

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the said Resolutions

The Board of Directors recommend the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members

Item No. 5

Pursuant to the provisions of Section 203 of the Companies Act, 2013 every company having a paid up capital of ₹ 10,00,00,000 (Rupees Ten Crores) or above, is required to appoint a Managing Director or Whole Time Director or Manager. Accordingly, the Board of Directors of your Company at its meeting held on July 22, 2015, appointed Mr. Gautam Kumar Tandasi, as the Manager and Key Managerial Personnel of the Company, for the period of five years, with effect from July 22, 2015

Mr. Gautam Kumar Tandasi would not draw any remuneration from the Company for his appointment as Manager

Except Mr. Gautam Kumar Tandasi none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the said Resolutions

The Board of Directors recommend the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members



Hazaribagh Ranchi Expressway Limited

Regd. Office : The IL&FS Financial Center, Plot C-22, G Block,
Bandra Kurla Complex, Mumbai- 400051
Tel : 022-26533333 **Fax :** 022-26523979
CIN : U45203MH2009PLC191070

The details as prescribed under Secretarial Standard -2 (SS-2) issued by the Institute of Company Secretaries of India are tabled below:-

S.No	Particulars
Name	Gautam Tandasi
Age	44 Years
Qualification	B.E. (Civil)
Experience	20 yrs.
Terms and Conditions of Appointment	Manager
Date of appointment in the Board	July 22, 2015
Shareholding in the Company	Nil
Relationship with other Directors, Manager and KMP	NIL
No. of Board meetings attended during the year	Nil
Other Directorships	Nil
embership/Chairmanship of the Committees of Board held in other company	Nil

Item No 6:

The Board of Directors of the Company has appointed Mr M B Bajulge (DIN: 02503289) as an Additional Director of the Company with effect from April 29, 2015 pursuant to the provisions of Section 161 of the Companies Act, 2013. In terms of the provisions of Section 161 of the Act, Mr M B Bajulge (DIN: 02503289) would hold office up to the date of the ensuing Annual General Meeting

In terms of Section 160 and any other applicable provisions of the Companies Act, 2013 and read with rules under the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), he is proposed to be appointed as a Director of the Company with effect from the date of this Annual General Meeting

In terms of Section 160 of the Companies Act, 2013, a notice has been received from a member along with the requisite deposit, proposing Mr M B Bajulge (DIN: 02503289) as a candidate for the office of Director of the Company

The Board considers that Mr M B Bajulge (DIN: 02503289) continued association would be of immense benefit to the Company and it is desirable to continue to avail services of his as a Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr



Hazaribagh Ranchi Expressway Limited

Regd. Office : The IL&FS Financial Center, Plot C-22, G Block,
Bandra Kurla Complex, Mumbai- 400051
Tel : 022-26533333 **Fax :** 022-26523979
CIN : U45203MH2009PLC191070

M B Bajulge (DIN: 02503289) as Director, for the approval by the Members of the Company.

Except Mr M B Bajulge (DIN: 02503289) being an appointee, none of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 6.

The details as prescribed under Secretarial Standard -2 (SS-2) issued by the Institute of Company Secretaries of India are tabled below:-

No	Particulars
Name	M B Bajulge
Age	50 Years
Qualification	Civil Engineering
Experience	23 Years
Terms and Conditions of Appointment	Additional Director
Date of appointment in the Board	April 29, 2015
Shareholding in the Company	NIL
Relationship with other Directors, Manager and KMP	NA
No. of Board meetings attended during the year	1
Other Directorships	Directorships : 10 Public Companies & 1 Private Company
Membership/Chairmanship of the Committees of Board held in other company	NA

For and on behalf of the Board of Directors
of **Hazaribagh Ranchi Expressway Limited**



A handwritten signature in black ink, appearing to read "Dilip Darji".

Dilip Darji
Company Secretary

July 22, 2015

Registered Office:

The IL&FS Financial Centre
Plot No.C-22, G Block, Bandra-Kurla Complex
Bandra (East), Mumbai 400 051

Hazaribagh Ranchi Expressway Limited

Regd. Office : The IL&FS Financial Center, Plot C-22, G Block,
Bandra Kurla Complex, Mumbai- 400051
Tel : 022-26533333 Fax : 022-26523979
CIN : U45203MH2009PLC191070

ATTENDANCE SLIP

Sixth Annual General Meeting held on Friday, September 25, 2015, at 11.00 a.m.

I hereby record my presence at the Sixth Annual General Meeting of Hazaribagh Ranchi Expressway Limited to be held at the Registered Office of the Company at The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051 on Friday, September 25, 2015, at 11.00 a.m.

Member's Folio No. :
Name of Member / Proxy Holder :
No. of Shares held :
Member's / Proxy Holders Signature :

NOTES:

1. Members / Proxy Holders are requested to produce the attendance slip duly signed for admission to the meeting hall.
2. Members are requested to bring their copy of the Annual Report.
3. Formal system of entry will be strictly adhered.



Hazaribagh Ranchi Expressway Limited

Regd. Office : The IL&FS Financial Center, Plot C-22, G Block,
Bandra Kurla Complex, Mumbai- 400051
Tel : 022-26533333 **Fax :** 022-26523979
CIN : U45203MH2009PLC191070

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

CIN: U45203MH2009PLC191070

Name of the company : HAZARIBAGH RANCHI EXPRESSWAY LIMITED

**Registered office: The IL&FS Financial Center, Plot No. C-22, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai- 400 051**

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name:

Address:

E-mail Id:

Signature:....., or failing him

2. Name:

Address:

E-mail Id:

Signature:....., or failing him

3. Name:

Address:



Hazaribagh Ranchi Expressway Limited

Regd. Office : The IL&FS Financial Center, Plot C-22, G Block,
Bandra Kurla Complex, Mumbai- 400051
Tel : 022-26533333 Fax : 022-26523979
CIN : U45203MH2009PLC191070

E-mail Id:

Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 6th Annual General Meeting of the company, to be held on Friday, September 25, 2015, at 11.00 a.m. at The IL&FS Financial Center, Plot No. C-22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

Resolution No.

1.Adoption of Audited Financial Statements for the financial year ended March 31, 2015 and reports of the Board of Directors and Auditors thereon.
2. Re-appointment of Mr Sanjay Minglani, who retires by rotation
3. To ratify the appointment of M/s. Luthra & Luthra Associates, Chartered Accountant as Statutory Auditors of the Company and to fix their remuneration

Special Business:

4.Approval of Cost Auditor's Remuneration for the F.Y. 2015-16.
5. Appointment of Mr. M B Bajulge as a Director of the Company
6. Appointment of Mr. Gautam Kumar Tandasi as Manager of the Company

Signed this day of 20....

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note: Note: This form of proxy in order to be effective should be duly completed, filled, signed, stamped and/or deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



ROAD MAP FOR ANNUAL GENERAL MEETING

