

**HAZARIBAGH RANCHI EXPRESSWAY
LIMITED**

ANNUAL REPORT

2017-18

Board's Report

To,
The Members
Hazaribagh Ranchi Expressway Limited

Your Directors have pleasure in presenting the Ninth Annual Report along with the Audited Financial Statements for the year ended March 31, 2018

FINANCIAL HIGHLIGHTS

The financial highlights of the Company are as under:

(Amount in Rupees)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Total Income	72,00,98,576	927,791,624
Less: Total Expenditure	7,49,64,474	262,919,886
Profit before finance charges, Tax, Depreciation/Amortization (PBITDA)	64,51,34,102	664,871,737
Less : Finance Charges	86,74,11,250	1067,917,397
Profit before Depreciation/Amortization (PBTDA)	(22,22,77,148)	(403,045,659)
Less : Depreciation	11,313	12,725
Net Profit before Taxation (PBT)	(22,22,88,461)	(403,058,384)
Provision for taxation	-	-
Profit/(Loss) after Taxation (PAT)	(22,22,88,461)	(403,058,384)
Provision for proposed dividend	-	-
Dividend tax	-	-

DIVIDEND

Due to inadequacy of profits, your Directors have not recommended any dividend for the year under review

RESERVES

The Company has not transferred any amount to Reserve for the financial year ended March 31, 2018

STATE OF COMPANY'S AFFAIRS:

There were no other significant changes in the state of Company affairs occurred during the financial year under review that are not otherwise disclosed in this report

OPERATIONS

Your Company continued to maintain and operate the Hazaribagh Ranchi Road project to the performance standards in accordance with the contractual requirements. During the year under review, the Company received annuity payment of Rs. 125.16 Crores from National Highways Authority of India, deducted of Rs 3.0 Cr on account of Damages recovered by Authority towards non fulfilment of O&M obligations.

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.

EXTRACT OF THE ANNUAL RETURN:

In accordance with Section 134(3)(a) of the Companies Act, 2013, the extract of annual return as on the financial year ended March 31, 2018 in Form No. MGT-9 is enclosed as Annexure A of the Board's Report

(i) Board of Directors and number of Meetings of Board:

During the year under review, consequent to completion of first tenure of three years of Independent Directors, the Board of Directors on the recommendation of Nomination and Remuneration Committee had re-appointed Mr. Milan Chakravarti (DIN: 07104909) as an Additional and Independent Director of the Company for further period of three years, not be liable to retire by rotation till March 31, 2021

The Board of Directors met 4 times during the year viz. May 10, 2017, August 2, 2017, November 14, 2017 and February 21, 2018. 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. Sanjay Rane	4	4
2	Ms.Sumathy Sivaramakrishnan	4	4
3	Mr. Sanjay Minglani	4	3
4	Mr. Vijay Kini	4	4
5	Mr. Milan Chakravarti	4	4
6	Mr. Prashant Agrawal	4	4
7	Capt. Swapan Paul	4	4

(ii) Directors liable to retire by rotation

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 re-appointment

(iii) Audit Committee

The Company had duly constituted an Audit Committee in terms of Section 177 of the Companies Act, 2013 and Rules framed thereunder. The Members of the Committee has met 4 times during the year under review on May 9, 2017, August 2, 2017, November 14, 2017 and February 21, 2018. The details of the meetings and the attendance of the Directors are provided below:

Sr. No	Name of Directors	No. of Meetings held during tenure	Meetings attended
1	Mr. Vijay Kini	4	4
2	Mr. Milan Chakravarti	4	4
3	Mr. Sanjay Rane	4	4

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

(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

The Company had duly constituted Nomination and Remuneration Committee in terms of Section 178 of the Companies Act, 2013 and Rules framed thereunder. The Members of the Committee has met only twice in year on April 13, 2017 and February 20, 2018. The details of the meeting and the attendance of the Directors are provided below:

Sr. No	Name of Directors	No. of Meetings held during tenure	Meetings attended
1	Mr. Vijay Kini	2	2
2	Mr. Milan Chakravarti	2	2
3	Mr. Sanjay Rane	2	2

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 be made in terms of Rule 5 of the Appointment and Remuneration of Managerial Personnel Rules 2014

(vi) Committee of Directors:

The Board of Directors has duly constituted the Committee of Directors in terms of Section 179(3) of the Companies Act, 2013 comprising of Mr. Vijay Kini (DIN: 06612768), Ms. Sumathy Iyer (DIN: 06720409) and Mr. Prashant Agarwal (DIN: 02348083) as its Members. There were no committee meetings were held during the year under review

Sr. No	Name of Directors	No. of Meetings held during tenure	Meetings attended
1	Mr. Vijay Kini	0	0
2	Ms. Sumathy Iyer	0	0
3	Mr. Prashant Agarwal	0	0

(vii) Key Managerial Personnel

During the year under review, your Company is having Mr. Gautam Kumar Tandasi, Manager, Mr. Chandrakant Jagasia, Chief Financial Officer and Mr. Dilip Darji, Company Secretary as the Key Managerial Personnel of the Company

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 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 laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY AN INDEPENDENT DIRECTOR(S):

All the Independent Directors have provided the declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub-section (6) and the same has been noted by the Board of Directors.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

The Board has adopted a Policy on appointment and remuneration of Directors which includes the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Sub-section (3) of Section 178 of the Companies Act, 2013. There has been no change carried out in the Policy adopted by the Board. The remuneration paid to the Directors is as per the Managerial Remuneration Policy of the Company

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. 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) 2018-19 have been received Statutory Auditors .

The report of the Statutory Auditor for the FY 2017-18 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 August 2, 2017 had on the recommendation of the Audit Committee appointed Chivilkar Solanki & Associates, Cost Accountant (Firm Registration No. 000468) as the Cost Auditor of the Company for the FY 2017-18

Chivilkar Solanki & Associates has confirmed their eligibility for appointment for the F.Y 2018-19 and that they are free from any disqualifications for being appointed as Cost Auditors under the provisions of the Companies Act, 2013

The Board of Directors has recommended to the Members remuneration payable to Chivilkar Solanki & Associates, Cost Auditor for the F.Y 2018-19 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, Mumbai, (CP No. 487), Company Secretaries in whole-time practice to carry out the Secretarial Audit of the Company for the Financial Year 2017-18

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

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

The details of loans given, investments made, guarantees given and securities provided under Section 186 of the Companies Act, 2013 have been provided in the notes to the financial statements

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

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Since, the Company does not have any manufacturing facility, the particulars required to be provided in terms of the disclosures required under Section 134 (3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are not applicable to the Company. There was no earning or outgo of foreign exchange during the year under review

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

PERFORMANCE EVALUATION:

In terms of the provisions of the Companies Act, 2013, a formal annual evaluation needs to be carried out 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 carried out by the entire Board of Directors, excluding the director being evaluated

The performance evaluation of all the Directors, Committees and the Board was carried out by the Nomination & Remuneration Committee, Independent Directors and Board at their respective meetings

OTHER DISCLOSURES/ MATTERS REQUIRED UNDER COMPANIES ACT, 2013

SHARE CAPITAL/DEBENTURES

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

During the year under review, the Company had redeemed the Redeemable, Listed, Rated, Secured Non-Convertible Debentures as detailed below:

ISIN	INE526S07023
Security Description	HREL 8.5% 2017 (Series AI)
Redemption Date	October 13, 2017
<i>No. of Securities (Quantity)</i>	4000

ISIN	INE526S07221
Security Description	HREL 8.75% 2017 (Series BI)
Redemption Date	October 13, 2017
<i>No. of Securities (Quantity)</i>	2400

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, 2018, none of the directors of the Company hold instruments convertible into Equity Shares of the Company

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.

CHANGE IN THE NATURE OF BUSINESS:

There was no change in the nature of business during the year under review as per Sub Rule 5(ii) of Rule 8 of Companies (Accounts) Rules, 2014

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has not incorporated/formed any Subsidiary, Joint Venture, Associate Company or LLPs during the year under review

VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:

In accordance with Section 177(9) 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 2017-18, no employee of the Company was denied access to the Audit Committee

DEPOSITS:

During the financial year under consideration, your Company has not accepted any public deposits within the meaning of section 73 of the Companies Act, 2013 and the rules made there under

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 pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14. 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

No complaints have been received during the year under review

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

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 behalf of the Board

Sanjay Minglani
Chairman
(DIN: 02960939)

Mumbai, August 17, 2018

Annexure A

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U45203MH2009PLC191070
2.	Registration Date	19/03/2009
3.	Name of the Company	Hazaribagh Ranchi Expressway Limited
4.	Category/Sub-category of the Company	Company Limited by Shares
5.	Address of the Registered office & 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
6.	Whether listed company	The Company is having its Non-Convertible Debentures listed on the National Stock Exchange
7.	Name, Address & contact details of the Registrar & 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

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

S. 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 ("ITNL") Address: The IL&FS Financial Centre, Plot C 22, G Block, Bandra Kurla Complex, Mumbai-400051	L45203MH2000PLC129790	Holding	99.99%	2 (46)

VI. 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
	De mat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	130986900	130986900	99.99 %	13,09,86,840	60	130986900	99.9 9%	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	130986900	130986900	99.99 %	13,09,86,840	60	130986900	99.9 9%	Nil

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):-	-	13100	13100	0.01%	-	13100	13100	0.01%	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	13100	13100	0.01%	-	13100	13100	0.01%	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	13,10,00,000	13,10,00,000	0.01%	-	13,10,00,000	13,10,00,000	0.01%	Nil

ii) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during 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	13,09,86,900	99.99 %	-	13,09,86,900	99.99 %	-	Nil
	Total	13,09,86,900	99.99 %		13,09,86,900	99.99 %	-	Nil

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

There is no change in the Promoters' Shareholding during the year under review

Sl.No.	Particulars	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	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Name of the Shareholder	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
		Punj Llyod				
	At the beginning of the year		13,100	0.01%	13,100	0.01%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g.		-	-	-	-

	allotment / transfer / bonus/ sweat equity etc):					
	At the end of the year		13,100	0.01%	13,100	0.01%

v) Shareholding of Directors and Key Managerial Personnel:

S. 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
		Shareholding of each Directors and each Key Managerial Personnel				
1	. Mr. Vijay Kini	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	Nil	Nil	Nil	Nil

		equity etc):				
		At the End of the year	10	-	10	-
2	Mr. Prashant Agarwal	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):	Nil	Nil	Nil	Nil
		At the End of the year	10	-	10	-

Note: Mr. Vijay Kini and Mr. Prashant Agarwal is holding the aforesaid equity shares jointly with IL&FS Transportation Networks Limited

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in Rupees)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,332,372,917	1,850,580,075	-	9,182,952,992
ii) Interest due but not paid		40,328,348	-	40,328,348
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	7,332,372,917	1,890,908,423	-	9,223,281,340
Change in Indebtedness during the financial year				
* Addition	8,34,57,063	7,73,45,381		16,08,02,444
* Reduction	(64,00,00,000)	(7,15,20,759)		(71,15,20,759)
Net Change	(55,65,42,937)	58,24,622		(55,07,18,315)
Indebtedness at the end of the financial year				
i) Principal Amount	6,775,829,980	1,85,64,04,697	-	8,63,22,34,677
ii) Interest due but not paid	-	18,44,39,571	-	18,44,39,571
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6,775,829,980	2,04,08,44,268		8,81,66,74,248

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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. Re mu ner atio n to oth er dir ect ors	Particulars of Remuneration	Name of Directors					Total Amount
(A mo unt in Rs) SN.							
1	Independent Directors	Milan Chakravarti	Sanjay Rane	Capt.Swa pan Paul			
	Fee for attending board committee meetings	160,000	160,000	70,000			3,90,000
	Commission	-	-	-			-
	Others, please specify	-	-	-			-
	Total (1)	160,000	160,000	70,000			3,90,000
3	Other Non-Executive Directors	Sanjay Minglani	Vijay Kini	Sumathy Iyer	Prashant Agarwal		
	Fee for attending board committee meetings	40,000	150,000	60,000	60,000		310,000

	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	40,000	150,000	60,000	60,000	310,000
	Total (B)=(1+2)	2,00,000	3,10,000	1,30,000	60,000	7,00,000
	Total Managerial Remuneration	-	-	-	-	-
	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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	Nil	Nil	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
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

For and behalf of the Board

Sanjay Minglani
Chairman
(DIN: 02960939)

Mumbai, August 17, 2018

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 : 17th August, 2018

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 records 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 check 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 check 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

Unique Code:S1995MH013400


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



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suyashri@vsnl.com

JAYSHREE DAGLI & ASSOCIATES

COMPANY SECRETARIES

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

[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, 2018 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, 2018, 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 thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;



Contd..... 2.



JAYSHREE DAGLI & ASSOCIATES

COMPANY SECRETARIES

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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, 2015;
 - (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;
 - (c) The Securities and Exchange Board of India (Issue and Listing Debt Securities) Regulations, 2008;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. Based on the nature of the business activities of the Company, the following regulations/laws etc. are considered to be applicable to the Company :
- a. Concession Agreement with National Highway Authority of India (NHAI)
 - b. Building And Other Construction Workers (Regulation Of Employment And Conditions Of Service) Act, 1996
 - c. Environment (Protection) Act, 1986
 - d. Air (Prevention And Control Of Pollution) Act, 1981
 - e. Water (Prevention And Control Of Pollution) Act, 1974
 - f. Forest Conservation Act, 1980
 - g. Hazardous Wastes (Management And Handling) Rules, 1989
 - h. Labour Laws, to the extent applicable.

(B) We have also examined compliance of the applicable clauses of Secretarial Standards for Board Meetings (SS - 1) and for General Meetings (SS - 2).

It may please be noted that the compliance of applicable financial laws including Direct and Indirect Tax Laws; maintenance of Financial Records and Books of Accounts etc. by the Company has not been reviewed by us for the purpose of this Audit since the same has been subject matter of review by the Statutory Auditors and / or other designated professionals. Further, we have also relied upon the certificates / reports, as the case may be, issued by the Statutory Auditors and / or other designated professionals, wherever applicable.

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

During the year under review, the provisions of following Acts/Rules/Regulations were not applicable to the Company:

- (i) 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;
- (ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009;

Contd..... 3.



Jayshree S. Joshi

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JAYSHREE DAGLI & ASSOCIATES

COMPANY SECRETARIES

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- (iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations 1998.
- (iv) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- (vi) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder as there was no instance / transaction / business attracting the compliance thereof. .

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive/ Non-Executive Directors and Independent Directors. The change(s) 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 & Committee 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.

As per the Minutes of the Meetings recorded and signed by the Chairman, the decisions of the Board as well as the Committees thereof were unanimous as no dissenting views have been recorded.

We further report that-

Based on the review of the compliance reports and the certificates of the Company Secretary, Manager and CFO, taken on record by the Board of Directors of the Company, in our opinion, 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 year under audit, the Company had specific events/actions as detailed in **Annexure - I** to this Report having impact on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to herein above.

**For JAYSHREE DAGLI & ASSOCIATES
COMPANY SECRETARIES**

Unique Code:S1995MH013400

Jayshree S. Joshi

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

Place:Mumbai

Date : 17th August, 2018

Jayshree S. Joshi

B. Com. (Hons.), LL.B., F.C.S.
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JAYSHREE DAGLI & ASSOCIATES

COMPANY SECRETARIES

Annexure – I

**TABLE SHOWING SPECIFIC EVENTS AND ACTIONS OF HAZARIBAGH
EXPRESSWAY LIMITED FOR FINANCIAL YEAR 2017-18**

Sr. No.	Particulars of the Events and Actions	Date of Board Meeting /Committee Meeting	Date of General Meeting
1	Approval to Exercise powers by the Board of Directors to invest surplus funds available with the Company in Bonds/ Debentures, Fixed Deposits, Units of various Mutual Funds or to invest in such / other Debt Securities ("Investment Instruments"); in one or more tranches and from time to time, up to the maximum of Rs. 150 Crores (Rupees One Hundred & Fifty Crores only)	21.02.2018	26.03.2018 Extra Ordinary General Meeting
2	Appointment of Mr. Milan Chakravarti, as Additional and Independent Director of the Company.	21.02.2018	



Independent Auditor's Report

To the members of Hazaribagh Ranchi Expressway Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Hazaribagh Ranchi Expressway Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), Cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the IND AS, of the state of affairs of the Company as at 31st March, 2018, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, 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, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of accounts
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act
 - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 litigation on its financial position in its Ind AS financial statement- Refer note 25 to Ind AS 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.

Place: Mumbai
Date: 26th April, 2018

For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N


Naresh Agrawal
Partner
M.No: 504922



Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2018

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.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own any immovable properties.
2. As the Company does not have any inventory, clause 3(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, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act 2013.
4. In our opinion and according to the information and explanations given to us, the Company has not given/make any loan, investment, guarantee and security and accordingly provisions of section 185 and 186 of the Act are not applicable.
5. According to the information and explanations given to us, the company has not accepted deposits.
6. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
7.
 - a. According to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales 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, 2018 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, service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of dispute.




Name of the statue	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	ITAT
Income tax	Income tax	Rs. 28,01,010	FY 2011-12	CIT(A)

8. As per the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowing to banks and financial institutions during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Mumbai
Date: 26th April, 2018

For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N


Naresh Agarwal
Partner
M.No: 504922



Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Hazaribagh Ranchi Expressway Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N



Naresh Agrawal
Partner
M.No: 504922

Place: Mumbai
Date: 26th April, 2018

LIBER - Stat

Rs. in Million

Particulars	Notes	As at March 31, 2018		As at March 31, 2017	
ASSETS					
Non-current Assets					
(a) Property, plant and equipment	4		0.02		0.03
(b) Intangible assets					
(i) Others	5	0.00	0.00	0.00	0.00
(c) Financial assets					
(i) Other financial assets	6		7,770.60		8,396.53
Total Non-current Assets			7,770.62		8,396.56
Current Assets					
(a) Financial assets					
(i) Cash and cash equivalents	7	742.76		756.73	
(ii) Bank balances other than (ii) above	7	563.90		563.90	
(iii) Other financial assets	6	648.88	1,955.54	591.75	1,912.38
(b) Current tax assets (Net)	15		64.18		55.05
(c) Other current assets	8		14.26		9.52
Total Current Assets			2,033.98		1,976.95
Total Assets			9,804.60		10,373.51
EQUITY AND LIABILITIES					
Equity					
(a) Equity share capital	9	1,310.00		1,310.00	
(b) Other Equity	10	(618.93)		(396.62)	
Equity attributable to owners of the Company			691.07		913.38
Total Equity			691.07		913.38
LIABILITIES					
Non-current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	11		6,881.04		7,390.36
Total Non-current Liabilities			6,881.04		7,390.36
Current liabilities					
(a) Financial liabilities					
(i) Borrowings	11	1,264.66		1,307.33	
(ii) Trade payables other than MSME	14	292.18		233.56	
(iii) Other financial liabilities	12	670.98	2,227.82	525.59	2,066.48
(b) Other current liabilities	13		4.67		3.29
Total Current Liabilities			2,232.49		2,069.77
Total Liabilities			9,113.53		9,460.13
Total Equity and Liabilities			9,804.60		10,373.51

Note 1 to 31 forms part of the financial statements.

In terms of our report attached.

For Luthra & Luthra

Chartered Accountants

Firm Registration No.002081N



Naresh Agrawal

Partner

Mem. No. : 504922



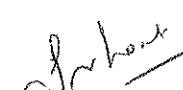
For and on behalf of the Board



Vijay Kini

Director

Din:06612768



Prashant Agarwal

Director

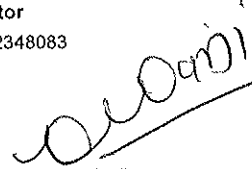
Din:02348083





Chandrakant Jagasia

Chief Financial Officer



Dilip Darji

Company Secretary

Place: Mumbai

Date : 26th April 2018

Place: Mumbai

Date : 26th April 2018

HAZARIBAGH RANCHI EXPRESSWAY LIMITED

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

CIN: U45203MH2009PLC191070

Rs. in Million

	Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
I.	Revenue from Operations	16	678.97	917.56
II.	Other income	17	41.13	10.24
III.	Total Income (I+II)		720.10	927.80
IV.	Expenses			
	Construction Costs		-	207.10
	Operating expenses	18	57.02	43.39
	Finance costs (net)	19	867.41	1,067.92
	Depreciation and amortisation expense	20	0.01	0.01
	Other expenses	21	17.97	12.44
	Total expenses (IV)		942.41	1,330.86
V	Profit before share of profit/(loss) of an associate and a joint venture and tax (III-IV)		(222.31)	(403.06)
VI	Less: Tax expense	22		
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	Total Tax expenses		-	-
VII	Profit/(loss) after tax (V-VI)		(222.31)	(403.06)
VIII	Earnings per equity share (face value ` 10 per share):	23		
	(1) Basic (in Rs.)		(1.70)	(3.08)
	(2) Diluted (in Rs.)		(1.70)	(3.08)

Note 1 to 31 forms part of the financial statements.

In terms of our report attached.

For Luthra & Luthra

Chartered Accountants

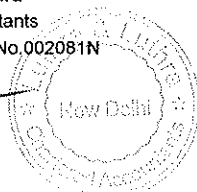
Firm Registration No.002081N



Naresh Agrawal

Partner

Mem. No. : 504922



Place: Mumbai

Date : 26th April 2018

For and on behalf of the Board



Vijay Kini

Director

Din:06612768



Prashant Agarwal

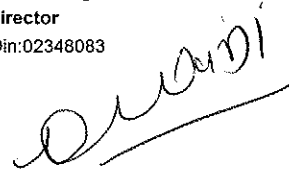
Director

Din:02348083



Chandrakant Jagasia

Chief Financial Officer



Dilip Darji

Company Secretary

Place: Mumbai

Date : 26th April 2018

HAZARIBAGH RANCHI EXPRESSWAY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018
CIN: U45203MH2009PLC191070

Rs. in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Cash flows from operating activities		
Profit for the year	(222.31)	(403.06)
Adjustments for:		
Finance costs recognised in profit or loss	861.91	1,067.92
Interest income recognised in profit or loss	(41.13)	(10.24)
Modification Gain on IRR	5.50	
Depreciation and amortisation expenses	0.01	0.01
	603.98	654.63
Movements in working capital:		
(Increase)/decrease in other financial assets & other assets (current and non current)	(13.12)	1.21
Increase/ (Decrease) in financial liabilities & other liabilities (current and non current)	60.02	(8.99)
	46.90	(7.78)
Cash generated from operations	650.88	646.85
Income taxes paid (net of refunds)	(9.14)	(15.45)
Net cash generated by operating activities (A)	641.75	631.40
Cash flows from investing activities		
Increase in receivable under service concession arrangements (net)	578.13	557.75
Interest received	40.17	6.28
Fixed deposits matured / (placed) as security against borrowings		(563.90)
Net cash used in investing activities (B)	618.30	0.13
Cash flows from financing activities		
Proceeds from borrowings	-	7,150.00
Repayment of borrowings	(572.93)	(5,680.65)
Movement in Short Term Borrowing	(42.67)	(663.77)
Finance costs paid	(658.42)	(986.18)
Net cash generated in financing activities (C)	(1,274.02)	(180.61)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(13.98)	450.93
Cash and cash equivalents at the beginning of the year	756.73	305.80
Cash and cash equivalents at the end of the year	742.76	756.73

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Components of Cash and Cash Equivalents		
Cash on hand	0.00	0.00
Balances with Banks in current accounts	0.97	16.73
Balances with Banks in deposit accounts	741.78	740.00
Cash and Cash Equivalents	742.76	756.73

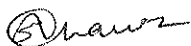
Note 1 to 31 forms part of the financial statements.

In terms of our report attached.

For Luthra & Luthra

Chartered Accountants

Firm Registration No.002081N



Naresh Agrawal

Partner

Mem. No. : 504922



Place: Mumbai

Date : 26th April 2018



For and on behalf of the Board



Vijay Kini

Director

Din:06612768



Prashant Agarwal

Director

Din:02348083

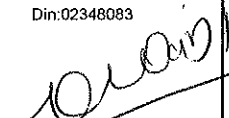


Chandrakant Jagasia

Chief Financial Officer

Place: Mumbai

Date : 26th April 2018



Dilip Darji

Company Secretary

HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Statement of changes in equity

a. Equity share capital	Rs. In Million	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Balance as at the beginning of the year	1,310.00	1,310.00
Changes in equity share capital during the year	-	-
Balance as at end of the year	1,310.00	1,310.00

Statement of changes in equity for the year ended March 31, 2017			
b. Other equity	Reserves and surplus		
	Deemed Equity	Retained earnings	Total
Balance as at April 1, 2016		(1,278.97)	(1,278.97)
Profit / (Loss) for the year	-	(403.06)	(403.06)
Addition during the year	1,285.40	-	1,285.40
Balance As at March 31, 2017	1,285.40	(1,682.02)	(396.62)

Statement of changes in equity for the year ended March 31, 2018			
b. Other equity	Reserves and surplus		
	Deemed Equity	Retained earnings	Total
Balance as at April 1, 2017	1,285.40	(1,682)	(397)
Profit / Loss for the year	-	(222)	(222)
Balance As at March 31, 2018	1,285.40	(1,904.33)	(618.93)


Note 1 to 31 forms part of the financial statements.

In terms of our report attached.

For Luthra & Luthra


Chartered Accountants

Firm Registration No.002081N


Naresh Agrawal
Partner
Mem. No. : 504922

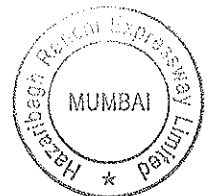
For and on behalf of the Board


Vijay Kini
Director
Din:06612768


Prashant Agarwal
Director


Chandrakant Jagasia
Chief Financial Officer


Dilip Darji
Company Secretary



Place: Mumbai
Date : 26th April 2018

Place: Mumbai
Date : 26th April 2018

Hazaribagh Ranchi Expressway Limited

Notes forming part of the Financial Statements for the year ended March 31, 2018

Note No-1

1. 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. The address of its registered office and principal place of business is The IL&FS Financial Centre, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051

Note No-2

2. Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015.

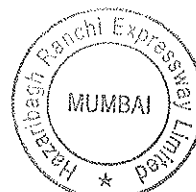
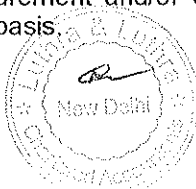
Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

2.2 Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for the following asset and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these [consolidated] financial statements is determined on this basis.



The principal accounting policies are set out below.

2.3 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

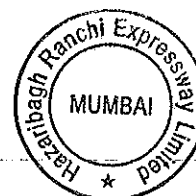
For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and significant liabilities, such as contingent consideration.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Note No-3



3.1 Accounting for rights under service concession arrangements and revenue recognition

i. Recognition and measurement

The Company builds, operates and maintains infrastructure assets under public-to-private Service Concession Arrangements (SCAs), which is an arrangement between the "grantor" (a public sector entity/authority) and the "operator" (a private sector entity) to provide services that give the public access to major economic and social facilities utilizing private-sector funds and expertise. The infrastructures accounted for by the Company as concessions are mainly related to the activities concerning roads.

Concession contracts are public-private agreements for periods specified in the SCAs including the construction, upgradation, restoration of infrastructure and future services associated with the operation and maintenance of assets in the concession period. Revenue recognition, as well as, the main characteristics of these contracts are detailed in Note 2.9.iii.

With respect to service concession arrangements, revenue and costs are allocated between those relating to construction services and those relating to operation & maintenance services, and are accounted for separately. Consideration received or receivable is allocated by reference to the relative fair value of services delivered when the amounts are separately identifiable. The infrastructure used in a concession are classified as an intangible asset or a financial asset, depending on the nature of the payment entitlements established in the concession agreement.

When the amount of the arrangement consideration for the provision of public services is substantially fixed by a contract, the Company recognizes revenues from construction services for public facilities (infrastructures) by the percentage-of-completion method, and recognizes the consideration as a financial asset and the same is classified as "Receivables against Service Concession Arrangements". The Company accounts for such financial assets at amortized cost, calculates interest income based on the effective interest method and recognizes it in revenue as Finance Income.

ii. Contractual obligation to restore the infrastructure to a specified level of serviceability

The Company has contractual obligations to maintain the infrastructure to a specified level of serviceability or restore the infrastructure to a specified condition during the concession period and/or at the time of hand over to the grantor of the SCA. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. In case of concession arrangements under financial asset model, such costs are recognized in the period in which such costs are actually incurred.

iii. Revenue recognition

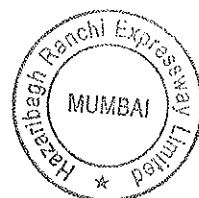
Once the infrastructure is in operation, the treatment of income is as follows:

Finance income for concession arrangements under financial asset model is recognized using the effective interest method. Revenues from operations and maintenance services and overlay services are recognized in each period as and when services are rendered in accordance with Ind AS 18 Revenue.

iv. Revenue from construction contracts

The Company recognizes and measures revenue, costs and margin for providing construction services during the period of construction of the infrastructure in accordance with Ind AS 11 'Construction Contracts'.

When the outcome of a construction contract can be estimated reliably and it is probable that it will



be profitable, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs.

For the purposes of recognizing revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognized in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognized only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognized as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

v. Borrowing cost related to SCAs

In case of concession arrangement under financial asset model, borrowing costs attributable to construction of the infrastructure are charged to Statement of Profit and Loss in the period in which such costs are incurred.

In case of concession arrangement under intangible asset model, borrowing costs attributable to the construction of infrastructure assets are capitalised up to the date of the final completion certificate of the asset / facility received from the authority for its intended use specified in the Concession Agreement. All borrowing costs subsequent to the capitalization of the intangible assets are charged to the Statement of Profit and Loss in the period in which such costs are incurred.

3.2 Borrowing costs

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to the financing of construction of development of assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.3 Taxation



Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The provision for tax is taken for each consolidating entity on the basis of the standalone financial statements prepared under Ind AS by that entity and aggregated for the purpose of the consolidated financial statements.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets (including unused tax credits such as MAT credit and unused tax losses such as carried forward business loss and unabsorbed depreciation) are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of to recover or settle the carrying amount of its assets and liabilities.



3.4 Property, plant and equipment

Property, plant and equipment acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses, such as delivery and handling costs, installation, legal services and consultancy services, directly attributable to bringing the asset to the site and in working condition for its intended use.

Where the construction or development of any asset requiring a substantial period of time to set up for its intended use is funded by borrowings, the corresponding borrowing costs are capitalized up to the date when the asset is ready for its intended use.

All assets are depreciated on a Straight Line Method (SLM) of Depreciation, over the useful life of assets as prescribed under Schedule II of the Companies Act, 2013.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying of the asset and is recognised in profit or loss.

3.5 Financial instruments

Financial assets and financial liabilities are recognized when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ("FVTPL") are recognized immediately in the statement of profit and loss.

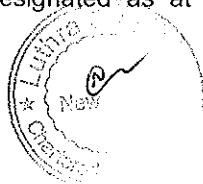
3.6 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

3.6.1 Classification of financial assets – debt instruments

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):



- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows;
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

3.6.2 Amortised cost and Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

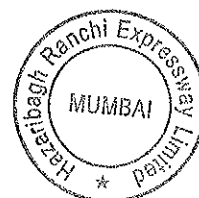
3.6.3 Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

3.6.3.1 Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If [the Company] the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial



asset.

On derecognition of a financial asset other than in its entirety (e.g., when the Company retains an option to repurchase part of a transferred asset), [the Company] the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.6.4 Modification of Cash Flows of financial assets and revision in estimates of Cash flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with Ind AS 109, the Company recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred are adjusted to the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

If the Company revises its estimates of payments or receipts (excluding modifications and changes in estimates of expected credit losses), it adjusts the gross carrying amount of the financial asset or amortized cost of a financial liability to reflect actual and revised estimated contractual cash flows. The Company recalculates the gross carrying amount of the financial asset or amortized cost of the financial liability as the present value of the estimated future contractual cash flows that are discounted at the financial instrument's original effective interest rate. The adjustment is recognized in profit or loss as income or expense.

3.7 Financial liabilities and equity instruments-

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

3.7.1 Classification as debt or equity

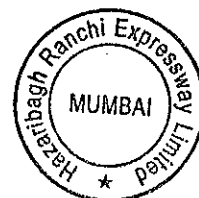
Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

3.7.2 Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method

3.7.3 Financial liabilities subsequently measured at amortised cost

Financial liabilities are measured at amortized cost at the end of subsequent accounting periods. The



carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.7.4 Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.8 Cash and cash equivalents

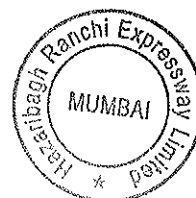
Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.9 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).



3.10 Critical accounting judgments

The preparation of Financial Statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the Financial Statements and the reported amounts of income and expenses for the periods presented.

The matters to be disclosed will be dictated by the circumstances of the individual entity, and by the significance of judgements and estimates made to the performance and financial position of the entity. Instead of disclosing this information in a separate note, it may be more appropriate to include such disclosures in the relevant asset and Ind AS 112.7 requires entities to disclose information about significant judgements and assumptions they have made in determining (i) whether they have control of another entity, (ii) whether they have joint control of an arrangement or significant influence over another entity, and (iii) the type of joint arrangement when the arrangement has been structured through a separate vehicle.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

3.11 Key sources of estimation of uncertainty

Key source of estimation of uncertainty at the date of Financial Statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of-

a. Revenue recognition-Margin on Intangible Assets

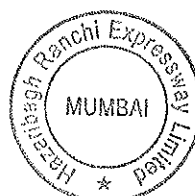
The Company has recognised margin on intangible assets equivalent to the internal rate of return ("IRR") generated by the asset. The IRR calculation considers components such as revenue from the asset, expenses to be incurred for generating the revenue and cost incurred / to be incurred for constructing the asset for its intended use. These components are estimated by the management considering assumptions such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Estimates for contingencies (v) There will be no change in design and the geological factors will be same as communicated and (vi) price escalations etc. There is some amount of complexity involved in estimating these components and these estimates are sensitive to changes in the underlying assumptions. All the estimates and assumptions are reviewed at each reporting date.

3.12 Key estimations in relation to fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 38 for further disclosures.

3.13 Standard Issued but not yet effective

The Ministry of Corporate Affairs (MCA), on 28 March 2018, notified Ind AS 115, *Revenue from Contracts with Customers*, as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The new standard is effective for accounting periods beginning on or after 1 April 2018. Since the company is in annuity project there will be no material impact on revenue accounting followed by the company.



HAZARIBAGH RANCHI EXPRESSWAY LIMITED

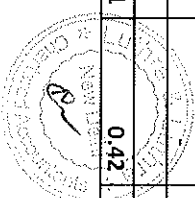
Notes forming part of Financial Statements for the year ended March 31, 2018

4. Tangible assets

Particulars	Deemed cost			Accumulated Depreciation		Carrying Amount			
	Balance as at April 1, 2016	Additions	Deductions	Balance at March 31, 2017	Balance as at April 1, 2016	Depreciation expense	Balance at March 31, 2017	As at March 31, 2017	As at April 1, 2016
Property plant and equipment									
Data processing equipments	0.29	-	-	0.29	0.29	0.00	0.29	0.00	0.00
Office equipments	0.06	-	-	0.06	0.06	-	0.06	0.00	0.00
Furniture and fixtures	0.09	-	-	0.09	0.05	0.01	0.06	0.03	0.04
Subtotal	0.44	-	-	0.44	0.39	0.01	0.41	0.03	0.04
Capital work-in-progress	-	-	-	-	-	-	-	-	-
Total	0.44	-	-	0.44	0.39	0.01	0.41	0.03	0.04

Rs. In Million

Particulars	Deemed cost			Accumulated Depreciation			Carrying Amount		
	Balance as at April 1, 2017	Additions	Deductions	Balance at March 31, 2018	Balance as at April 1, 2017	Depreciation expense	Balance at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Property plant and equipment									
Data processing equipments	0.29	-	-	0.29	0.29	-	0.29	0.00	0.00
Office equipments	0.06	-	-	0.06	0.06	-	0.06	0.00	0.00
Furniture and fixtures	0.09	-	-	0.09	0.06	0.01	0.07	0.02	0.03
Subtotal	0.44	-	-	0.44	0.41	0.01	0.42	0.02	0.03
Capital work-in-progress	-	-	-	-	-	-	-	-	-
Total	0.44	-	-	0.44	0.41	0.01	0.42	0.02	0.03



HAZARIBAGH RANCHI EXPRESSWAY LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2018

5. Intangible assets

Particulars	Cost or deemed cost			Accumulated Amortisation		Carrying Amount	
	Balance as at April 1, 2016	Additions	Deductions	Balance As at March 31, 2017	Balance as at April 1, 2016	Balance As at March 31, 2017	As at March 31, 2017
Software / Licences acquired	0.06	-	-	0.06	0.06	0.06	0.00
Subtotal (a)	0.06	-	-	0.06	0.06	0.06	0.00
Rights under service concession arrangements (b)	-	-	-	-	-	-	-
Intangible assets under development (c)	-	-	-	-	-	-	-
Total (a+b+c)	0.06	-	-	0.06	0.06	0.06	0.00

Particulars	Cost or deemed cost			Accumulated Amortisation		Carrying Amount	
	Balance as at April 1, 2017	Additions	Deductions	Balance As at March 31, 2018	Balance as at April 1, 2017	Balance As at March 31, 2018	As at March 31, 2018
Software / Licences acquired	0.06	-	-	0.06	0.06	0.06	0.00
Subtotal (a)	0.06	-	-	0.06	0.06	0.06	0.00
Rights under service concession arrangements (b)	-	-	-	-	-	-	-
Intangible assets under development (c)	-	-	-	-	-	-	-
Total (a+b+c)	0.06	-	-	0.06	0.06	0.06	0.00

Rs. in Million



HAZARIBAGH RANCHI EXPRESSWAY LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2018

6. Other financial assets (Unsecured, considered good unless otherwise mentioned)

Rs. In Million

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Receivable under service concession arrangements	7,769.80	635.54	8,395.73	587.74
Claim & others receivable from authority	-	8.37	-	-
Security Deposits - Others	0.81	-	0.81	-
Interest Accrued on fixed deposits	-	4.97	-	4.01
Total	7,770.60	648.88	8,396.53	591.75

7. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

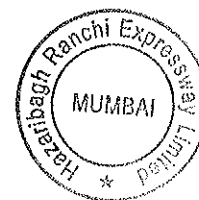
Rs. In Million

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with Banks		
In current accounts	0.97	16.73
In deposit accounts	741.78	740.00
Cash on hand	0.00	0.00
Cash and cash equivalents	742.76	756.73
Balances held as margin money or as security against borrowings	563.90	563.90
Other bank balances	563.90	563.90

8. Other assets (Unsecured, considered good unless otherwise mentioned)

Rs. In Million

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
-Unsecured, considered good	-	-	-	0.02
Other advances	-	4.82	-	1.81
Prepaid expenses	-	1.75	-	-
Indirect tax balances / Receivable credit	-	7.69	-	7.69
Total	-	14.26	-	9.52



HAZARIBAGH RANCHI EXPRESSWAY LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2018

9. Equity Share Capital

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Rs. In Million	Number of shares	Rs. In Million
Authorised				
Equity Shares of ₹ 10/- each fully paid	13,20,00,000	1,320.00	13,20,00,000	1,320.00
Issued, Subscribed and Paid up Equity Shares of ₹ 10/- each fully paid	13,10,00,000	1,310.00	13,10,00,000	1,310.00
Total	13,10,00,000	1,310.00	13,10,00,000	1,310.00

9.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year :

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Number of shares	Rs. In Million	Number of shares	Rs. In Million
Shares outstanding at the beginning of the year	13,10,00,000	1,310.00	13,10,00,000	1,310.00
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	13,10,00,000	1,310.00	13,10,00,000	1,310.00

9.2 Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and associates

Particulars	As at March 31, 2018	As at March 31, 2017
IL&FS Transportation Networks Limited, the holding company	13,09,86,900	13,09,86,900

9.3 Details of shares held by each shareholder holding more than 5% shares

Equity Shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
IL&FS Transportation Networks Limited, the holding Company	13,09,86,900	99.99%	13,09,86,900	99.99%
Total	13,09,86,900	99.99%	13,09,86,900	99.99%

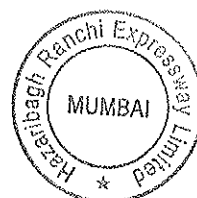
9.4 The Company has one class of equity shares with face value of ₹ 10 each fully paid-up. Each shareholder has a voting right in proportion to his holding in the paid-up equity share capital of the Company.

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 proportion to the number of equity shares held by the shareholders.

Where final dividend is proposed by the Board of Directors, it is subject to the approval of the shareholders in the Annual General Meeting.

10. Other Equity (excluding non-controlling interests)

Particulars	Rs. In Million	
	As at March 31, 2018	As at March 31, 2017
Deemed Equity		
Balance at beginning of the year	1,285.40	-
Addition during the year	-	1,285.40
Balance at end of the year	1,285.40	1,285.40
Retained earnings		
Balance at beginning of year	(1,682.02)	(1,278.97)
Profit attributable to owners of the Company	(222.31)	(403.06)
Balance at end of the year	(1,904.33)	(1,682.02)
Sub-Total	(618.93)	(396.62)
Total	(618.93)	(396.62)



11. Borrowings

Particulars	As at March 31, 2018			As at March 31, 2017		
	Long-term	Current portion	Short-term	Long-term	Current portion	Short-term
Secured – at amortised cost						
(i) Bonds / debentures						
- from other parties						
a) 8.50% Redeemable NCD - Series A	4,640.05	390.90	-	4,883.25	281.43	-
b) 8.75% Redeemable NCD - Series B	1,449.34	95.64	-	1,780.34	203.83	-
(ii) Term loans						
- from related parties	199.91	-	-	183.53	-	-
Unsecured – at amortised cost						
(i) Term loans						
- from related parties	591.74	-	1,264.66	543.25	-	1,307.33
Total	6,881.04	486.54	1,264.66	7,390.36	485.26	1,307.33
Less: Current maturities of long term debt clubbed under "other current liabilities"	-	486.54	-	-	485.26	-
Total	6,881.04	-	1,264.66	7,390.36	-	1,307.33

11.1 Summary of borrowing arrangements

Footnotes:

1. Security details	As at March 31, 2018		As at March 31, 2017	
	Long-term	Short-term	Long-term	Short-term
Secured against:	Non-current		Non-current	
Non Convertible Debentures (Refer Foot Note: i)	6,089.38	486.54	6,663.59	485.26
Term Loan (Refer Foot Note: ii)				
Loans from related parties	199.91	-	183.53	-
Total	6,289.29	486.54	6,847.12	485.26

Foot Note: i

The Company has issued and allotted 8.50% redeemable, listed, rated, secured non-convertible debentures of a nominal value of INR 1,00,000 each on a private placement basis, aggregating to INR 538.00 crores in accordance with the Terms and Conditions ("Senior Financing") and 8.75% redeemable, listed, rated, secured non-convertible debentures of a nominal value of INR 1,00,000 each on a private placement basis, aggregating to INR 177.00 crores in accordance with the Terms and Conditions ("Junior Financing"). The Debentures have the benefit of Security over the Secured Assets. The Debentures comprising the Senior Debentures are issued as Series A Debentures, comprising 10 sub-series of Debentures numbered Series A1 – Series A10. The Debentures comprising the Junior Financing are issued as Series B Debentures, comprising 10 sub-series of Debentures numbered Series B1 – Series B10.

(i) a first ranking pari passu charge over all the Company's tangible moveable properties and assets, both present and future, except the Project Assets;

(ii) a first ranking pari passu charge over all bank accounts of the Issuer including without limitation, the Escrow Account (or any account in substitution thereof) and the Debt Service Reserve Account except the Distribution Account, in all funds from time to time deposited therein and in all Permitted Investments or other securities representing all amounts credited to the Escrow Account and the Debt Service Reserve Account and any other bank accounts of the Company established pursuant to the Transaction Documents, including all revenues and receivables (including Fee) of the Issuer from the Project or otherwise, provided that:

(a) the same shall be applied in accordance with the waterfall of priority of payment as specified in Clause 31 of the Concession Agreement and Clause 4 of the Escrow Agreement, and shall, in no case, exceed beyond the limits set out therein;

(b) the charge over the receivables shall be enforceable by the Debenture Holders or on their behalf, only for the purpose of ensuring that the receivables are credited to the Escrow Account that shall be applied in accordance with the waterfall of priority of payment specified in Clause 31 of the Concession Agreement and Clause 4 of the Escrow Agreement;

(iii) a first ranking pari passu charge/ assignment on all the intangible assets of the Issuer including but not limited to goodwill, rights, undertakings and uncalled capital both present and future, except the Project Assets (as such term is defined in the Concession Agreement), provided that the charge on uncalled capital shall be subject to Clause 5.3, Clause 7.1(k) and Clause 31 of Concession Agreement;

(iv) assignment by way of Security in:

(a) all the right, title, interest, benefits, claims and demands whatsoever of the Issuer in the Project Agreements;

(b) the right, title and interest of the Issuer in, to and under all the Authorisations;

(c) all the right, title, interest, benefits, claims and demands whatsoever of the Issuer in any guarantees, letters of credit, including but not limited to contractor guarantees, liquidated damages and performance bonds that may be provided by any party to the Project Agreements in favour of the Issuer; and

(d) all the right, title, interest, benefits, claims and demands whatsoever of the Issuer under all Insurance Contracts and Insurance Proceeds;

Foot Note: ii

Term loan from holding company is secured by second pari passu charge over all assets other than the project assets



2. The details of Unsecured Redeemable Non-Convertible Debentures [NCDs] :

Series of NCDs	Face value per NCD (₹)	Rate of Interest % p.a.	Terms of repayment	Date of redemption	No. of NCDs issued	No. of NCDs outstanding As at March 31, 2018	No. of NCDs outstanding As at March 31, 2017
Series AI	1,00,000	8.50	Bullet Repayment	October 13, 2017	4,000	-	4,000
Series BI	1,00,000	8.75	Bullet Repayment	October 13, 2017	2,400	-	2,400
Series AII	1,00,000	8.50	Bullet Repayment	October 12, 2018	2,000	2,000	2,000
Series BIII	1,00,000	8.75	Bullet Repayment	April 13, 2018	450	450	450
Series AII	1,00,000	8.50	Bullet Repayment	April 13, 2018	2,000	2,000	2,000
Series BIII	1,00,000	8.75	Bullet Repayment	October 12, 2018	550	550	550
Series AIV	1,00,000	8.50	Bullet Repayment	April 12, 2019	2,000	2,000	2,000
Series BIV	1,00,000	8.75	Bullet Repayment	April 12, 2019	700	700	700
Series AV	1,00,000	8.50	Bullet Repayment	October 14, 2019	2,000	2,000	2,000
Series BV	1,00,000	8.75	Bullet Repayment	October 14, 2019	800	800	800
Series AVI	1,00,000	8.50	Bullet Repayment	April 14, 2020	2,000	2,000	2,000
Series BVI	1,00,000	8.75	Bullet Repayment	April 14, 2020	900	900	900
Series AVII	1,00,000	8.50	Bullet Repayment	October 14, 2020	2,500	2,500	2,500
Series BVII	1,00,000	8.75	Bullet Repayment	October 14, 2020	550	550	550
Series AIX	1,00,000	8.50	Bullet Repayment	October 14, 2021	2,500	2,500	2,500
Series BVIII	1,00,000	8.75	Bullet Repayment	April 14, 2021	550	550	550
Series AVIII	1,00,000	8.50	Bullet Repayment	April 14, 2021	2,600	2,600	2,600
Series BXI	1,00,000	8.75	Bullet Repayment	October 14, 2021	750	750	750
Series AX	1,00,000	8.50	Bullet Repayment	April 14, 2022	2,400	2,400	2,400
Series BX	1,00,000	8.75	Bullet Repayment	April 14, 2022	950	950	950
Series AXI	1,00,000	8.50	Bullet Repayment	October 14, 2022	2,500	2,500	2,500
Series BXI	1,00,000	8.75	Bullet Repayment	October 14, 2022	1,000	1,000	1,000
Series AXII	1,00,000	8.50	Bullet Repayment	April 14, 2023	2,500	2,500	2,500
Series BXII	1,00,000	8.75	Bullet Repayment	October 13, 2023	800	800	800
Series AXIII	1,00,000	8.50	Bullet Repayment	October 13, 2023	2,900	2,900	2,900
Series BXIII	1,00,000	8.75	Bullet Repayment	April 14, 2023	1,100	1,100	1,100
Series AXIV	1,00,000	8.50	Bullet Repayment	April 12, 2024	2,600	2,600	2,600
Series BXIV	1,00,000	8.75	Bullet Repayment	October 14, 2024	700	700	700
Series AXV	1,00,000	8.50	Bullet Repayment	October 14, 2024	3,000	3,000	3,000
Series BXV	1,00,000	8.75	Bullet Repayment	April 12, 2024	1,000	1,000	1,000
Series AXVI	1,00,000	8.50	Bullet Repayment	April 14, 2025	3,000	3,000	3,000
Series BXVI	1,00,000	8.75	Bullet Repayment	April 14, 2025	850	850	850
Series AXVII	1,00,000	8.50	Bullet Repayment	October 14, 2025	3,000	3,000	3,000
Series BXVII	1,00,000	8.75	Bullet Repayment	October 14, 2025	1,000	1,000	1,000
Series AXIX	1,00,000	8.50	Bullet Repayment	October 14, 2026	3,500	3,500	3,500
Series BXVIII	1,00,000	8.75	Bullet Repayment	April 14, 2026	1,050	1,050	1,050
Series AXVIII	1,00,000	8.50	Bullet Repayment	April 14, 2026	3,100	3,100	3,100
Series BXIX	1,00,000	8.75	Bullet Repayment	October 14, 2026	850	850	850
Series AXX	1,00,000	8.50	Bullet Repayment	April 14, 2027	3,700	3,700	3,700
Series BXX	1,00,000	8.75	Bullet Repayment	April 14, 2027	750	750	750
Total					2,41,500	65,100	71,500

3. Age-wise analysis and Repayment terms of the Company's Long term Borrowings are as below:

Particulars	Rs. in Million			
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
	₹	₹	Frequency of Repayment*	Frequency of Repayment*
Less than 1 year	500	640	SA	SA
1-3 Years	1,145	1,050	SA	SA
3 to 5 years	1,325	1,235	SA	SA
5+ years	5,520	6,205	SA / B	SA / B
Total	8,490	9,130		

QT = Quarterly, Y = Yearly, SA = Semi Annually and B = Bullet repayment

Note: Pursuant to the Amendment Agreement dated October 13, 2016 entered between the Promoter IL&FS Transportation Networks Limited ("ITNL") and the Company, the subordinate debt Rs. 500 million given by ITNL to the Company and Short Term Loans to the extent of Rs.1,480 million will not carry interest with effect from October 1, 2016 and provide the right to ITNL to convert the outstanding debt into equity.

4. Repayment Schedule

Secured Non Convertible Debentures: In unequal half yearly installments commencing from October 2017 and terminating on April 2027.

Secured term loan in single bullet payment terminating on June 30, 2028:

Unsecured term loan in single bullet payment terminating on June 30, 2028:

Financial Year	8.50% Redeemable (Amt. In Rs.)	Amount of Secured Non Convertible Debentures - Repayment to Junior Financing (Amt. In Rs.)	Amount of Secured Term Loan Repayment (Amt. in Rs.)	Amount of Unsecured Term Loan Repayment (Amt. in Rs.)
2018-19	400.00	100.00	-	-
2019-20	400.00	150.00	-	-
2020-21	450.00	145.00	-	-
2021-22	510.00	130.00	-	-
2022-23	490.00	195.00	-	-
2023-24	540.00	190.00	-	-
2024-25	560.00	170.00	-	-
2025-26	600.00	185.00	-	-
2026-27	660.00	190.00	-	-
2027-28	370.00	75.00	-	-
2028-29			500.00	1,480.00
	4,980.00	1,530.00	500.00	1,480.00



HAZARIBAGH RANCHI EXPRESSWAY LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2018

12. Other financial liabilities

Rs. In Million

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Current maturities of long-term debt	-	486.54	-	485.26
Interest accrued & Not Due				
i) Related	-	184.44	-	40.33
Total	-	670.98	-	525.59

13. Other liabilities

Rs. In Million

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
(a) Other Advance received	-	0.50	-	-
(b) Others				
Statutory dues	-	4.17	-	3.29
Total	-	4.67	-	3.29

14. Trade payables

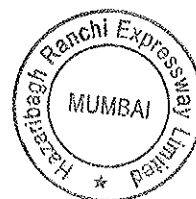
Rs. In Million

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Trade payables other than MSME				
1) Related	-	287.99	-	231.41
Other	-	4.19	-	2.15
Total	-	292.18	-	233.56

15. Current tax assets and liabilities

Rs. In Million

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Current tax assets				
Advance payment of taxes	-	64.18	-	55.05
Total	-	64.18	-	55.05



HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2018

16. Revenue from operations

Particulars	Rs. In Million	
	Year ended March 31, 2018	Year ended March 31, 2017
(a) Operation and maintenance income	26.31	34.65
(b) Construction income	-	221.59
(c) Finance income	617.96	649.55
(d) Overlay income	34.70	11.77
Total	678.97	917.56

17. Other Income

Particulars	Rs. In Million	
	Year ended March 31, 2018	Year ended March 31, 2017
Interest on short term deposit	41.13	10.24
Total	41.13	10.24

18. Operating Expenses

Particulars	Rs. In Million	
	Year ended March 31, 2018	Year ended March 31, 2017
Operation and maintenance expenses	24.59	32.39
Periodic maintenance expenses	32.43	11.00
Total	57.02	43.39

19. Finance costs

Particulars	Rs. In Million	
	Year ended March 31, 2018	Year ended March 31, 2017
(a) Interest costs		
Interest on loans for fixed period	-	367.21
Interest on Related Party	227.73	433.95
Interest on debentures	632.11	232.76
(b) Other borrowing costs		
Finance charges	2.07	33.99
(c) Others		
Modification Gain & Loss	5.50	-
Total (a+b+c+d)	867.41	1,067.92

20. Depreciation and amortisation expense

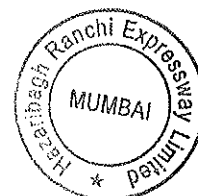
Particulars	Rs. In Million	
	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property, plant and equipment	0.01	0.01
Total depreciation and amortisation	0.01	0.01

21. Other expenses

Particulars	Rs. In Million	
	Year ended March 31, 2018	Year ended March 31, 2017
Legal and consultation fees	15.49	10.36
Travelling and conveyance	0.21	0.56
Rates and taxes	0.02	0.22
Repairs and maintenance	0.46	
Bank commission	0.18	0.01
Communication expenses	0.00	0.02
Insurance	0.00	0.00
Directors' fees	0.82	0.62
Payment to auditors (Refer Note 21.1)	0.72	0.63
Miscellaneous expenses	0.07	0.02
Total	17.97	12.44

21.1 Payments to auditors

Particulars	Rs. In Million	
	Year ended March 31, 2018	Year ended March 31, 2017
a) For audit	0.37	0.30
b) For other services	0.36	0.33
Total	0.72	0.63



HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2018

22. Earnings per share

Particulars	Unit	Year ended March 31, 2018	Year ended March 31, 2017
Profit for the year attributable to owners of the Company	Rs. In Million	(222.31)	(403.06)
Weighted average number of equity shares	Number	13,10,00,000	13,10,00,000
Nominal value per equity share	₹	10.00	10.00
Basic / Diluted earnings per share	₹	(1.70)	(3.08)



HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2018
23. Disclosure in respect of Construction Contracts

Particulars	Rs. in Million	
	Year ended March 31, 2018	Year ended March 31, 2017
Contract revenue recognised as revenue during the year	-	221.59

Particulars	Rs. in Million	
	As at March 31, 2018	As at March 31, 2017
Cumulative revenue recognised	11,105.98	11,105.98

24. Commitments for expenditure

Particulars	Rs. in Million	
	As at March 31, 2018	As at March 31, 2017
(a) Estimated amount of contracts remaining to be executed on Operation and Maintenance and not provided for	354.74	379.33
(b) Estimated amount of contracts remaining to be executed on Overlay expenses and not provided for	712.59	745.02
Total	1,067.33	1,124.35

25. Contingent liabilities and Letter of awareness and letter of financial support
25.1 Contingent liabilities

Particulars	Rs. in Million	
	As at March 31, 2018	As at March 31, 2017
(a) Claims against the Company not acknowledged as debt		
- Demand for Assessment Year 2011-12 for which the Company's appeal is pending with the appellate authority	1.70	1.70
- Demand for Assessment Year 2012-13 for which the Company's appeal is pending with the appellate authority	2.80	2.80
(b) Other money for which the company is contingently liable		
- Contingent liabilities incurred by the Company arising from its NCD Refinance	-	64.80

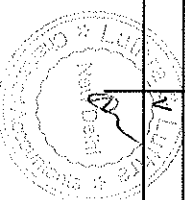


HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2018

26. Related Party Disclosures

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used	March 2018	March 2017
Ultimate Holding Company	Infrastruture Leasing & Financial Services	ILFS	✓	✓
Holding Company	IL&FS Transportation Networks Limited	ITNL	✓	✓
Fellow Subsidiaries (Only with whom there have been transaction during the period/ there was balance outstanding at the year end)	ISSL CPG BPO Private Limited	ISSL		✓
	IL&FS Financial Services Limited	IFIN	✓	✓
Key Management Personnel ("KMP")	Gautam Tandasi	Manager	✓	✓
	Chandrakant Jagasia	Chief Financial Officer	✓	✓
	Dilip Darji	Company Secretary	✓	✓
	Sanjay Minglani	Director	✓	✓
	Vijay Kini	Director	✓	✓
	Sumathy Iyer	Director	✓	✓
	Prashant Agarwal	Director	✓	✓
	Sanjay Rane	Independent Director	✓	✓
	Paresh Shah	Independent Director		✓
	Milani Chakravati	Independent Director	✓	✓
	Capt. Swapan Paul	Independent Director	✓	✓



HAZARIBAGH RANCHI EXPRESSWAY LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2018

Related Party Disclosures (contd.)

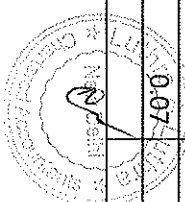
Year ended March 31, 2018

(b) transactions/ balances with above mentioned related parties (mentioned in note 26 above)

Particulars	ITNL	ILFS	IFIN	ISCBPL	KMP	Total
Balance						
Equity share Capital	1,309.87	-	-	-	-	1,309.87
Secured loan - Subdebt	500.00	-	-	-	-	500.00
Unsecured loan - Long Term	1,480.00	-	-	-	-	1,480.00
Unsecured loan - Short Term	1,264.66	-	-	-	-	1,264.66
Interest Accrued and not due ST	184.44	-	-	-	-	184.44
Trade Payables	235.43	42.47	10.08	-	-	287.99

Rs. In Million

Transactions						
Interest on Loans (Expense)	162.85	-	-	-	-	162.85
Operating Expenses (Other than Construction Cost)	26.16	-	-	-	-	26.16
Finance Cost	37.97	46.40	42.54	-	-	126.91
Professional Fees	-	47.54	-	-	-	47.54
Deputation Cost	24.01	-	-	-	-	24.01
Periodic Maintenance Cost	36.32	-	-	-	-	36.32
Repayment of Lendings	71.52	-	-	-	-	71.52
Borrowings	28.85	-	-	-	-	28.85
Director Sitting Fees (Sanjay Minglani)	-	-	-	-	0.04	0.04
Director Sitting Fees (Vijay Kini)	-	-	-	-	0.15	0.15
Director Sitting Fees (Sumathy Iyer)	-	-	-	-	0.06	0.06
Director Sitting Fees (Prashant Agarwal)	-	-	-	-	0.06	0.06
Independent Director (Sanjay Rane)	-	-	-	-	0.16	0.16
Independent Director (Milan Chakravaty)	-	-	-	-	0.16	0.16
Independent Director (Capt. Swapan Paul)	-	-	-	-	0.07	0.07



HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2018
Year ended March 31, 2017
(b) transactions/ balances with above mentioned related parties (mentioned in note 26 above)
Rs. In Million

Particulars	ITNL	ILFS	IFIN	ISCBPL	KMP	Total
Balance						
Equity share Capital	1,309.87	-	-	-	-	1,309.87
Secured Loan - Subdebt	500.00	-	-	-	-	500.00
Unsecured Loan - Long Term	1,480.00	-	-	-	-	1,480.00
Unsecured Loan - Short Term	1,307.33	-	-	-	-	1,307.33
Interest Accrued and not due ST	40.33	-	-	-	-	40.33
Trade Payables	193.88	-	37.54	-	-	231.41
Transactions						-
Operating Expenses (Other than Construction Cost)	32.39	-	-	-	-	32.39
Construction Cost	207.10	-	-	-	-	207.10
Overlay Expenses	11.00	-	-	-	-	11.00
Finance Cost	401.77	-	-	-	-	401.77
Legal & Professional	-	-	-	0.02	-	0.02
Advisory Fees	-	-	41.11	-	-	41.11
Deputation Cost	1.17	-	-	-	-	1.17
Repayment of Lendings	1,605.94	-	-	-	-	1,605.94
Borrowings	910.00	-	-	-	-	910.00
Director Sitting Fees (Sanjay Minglani)	-	-	-	-	0.05	0.05
Director Sitting Fees (Vijay Kini)	-	-	-	-	0.13	0.13
Director Sitting Fees (Sumathy Iyer)	-	-	-	-	0.06	0.06
Director Sitting Fees (Prashant Agarwal)	-	-	-	-	0.05	0.05
Independent Director (Sanjay Rane)	-	-	-	-	0.03	0.03
Independent Director (Paresh Shah)	-	-	-	-	0.06	0.06
Independent Director (Milan Chakravaty)	-	-	-	-	0.14	0.14
Independent Director (Capt. Swapan Paul)	-	-	-	-	0.02	0.02
						-



HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2018

27. Financial Instruments

27.1 Capital management

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to shareholders and also complying with the ratios stipulated in the loan agreements through the optimisation of debt and equity balance.

The capital structure of the company consists of debt (borrowings as detailed in notes) and equity of the Company (comprising issued capital, reserves and subordinated debt from the immediate Parent Company).

27.1.1 Capital Gearing Ratio

The Debt Service Coverage Ratio at end of the reporting period was as follows.

Particulars	As at March 31, 2018	As at March 31, 2017
Debt	8,816.68	9,223.28
Cash and Bank Balances	1,306.66	1,324.63
Net Debt (A)	7,510.02	7,898.65
Equity (B)	691.07	913.38
Net Debt to Equity Ratio in times (A/B)	10.87	8.65

(i) Debt is defined as long-term, current maturity of long term, short term borrowings and interest accrued thereon

(ii) Total equity is defined as equity share capital and reserves and surplus

27.2 Categories of financial instruments

Particulars	As at March 31, 2018	Rs. In Million As at March 31, 2017
Financial assets		
Financial Assets measured at amortised cost		
Cash and bank balances	1,306.66	1,324.63
Receivables under service concession arrangements	8,405.34	8,983.47
Others	14.14	0.81
Financial liabilities		
Financial liabilities measured at amortised cost		
Borrowings (including interest, Accrued)	8,816.68	9,223.28
Trade Payables	292.18	233.56

27.3 Financial risk management objectives

The company's financial risks mainly include market risk (interest rate risk), credit risk and liquidity risk.

27.4 Market risk

The company's activities expose it primarily to the financial risks of changes in interest rates. There has been no significant change to the company's exposure to market risks or the manner in which these risks are managed and measured.

27.4 Interest rate risk management

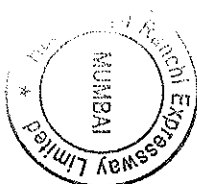
Company is paying interest at fixed rate. Hence, does not exposed to interest risk management. The company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

27.4.1 Interest rate sensitivity analysis

Company is paying at fixed interest rate, the interest rate sensitivity is not applicable.

27.5 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties. The Management believes that the credit risk is negligible since its main receivable is from the grantors of the concession which is a government authority.



27.6 Liquidity risk management

27.6.1 Liquidity and interest risk tables

The following tables detail the company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate prevailing at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

Particulars	Rs. In Million					
	As at March 31, 2018		As at March 31, 2017			
	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments
Less than 1 year	292.18	-	2,548.84	233.58	-	2,446.63
1-2 Years	-	-	1,055.92	-	-	2,100.73
3 to 5 years	-	-	1,051.11	-	-	2,083.98
5+ years	791.66	-	6,401.16	726.77	-	5,358.29
Total	1,083.84	-	11,056.63	960.34	-	11,989.63
Carrying Value	1,083.84	-	8,025.02	960.34	-	8,495.51
Weighted Average Interest Rate	0.00%	0%	10.03%	0.00%	0.00%	9.34%

The following table details the company's expected maturity for its financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on financial assets is necessary in order to understand the company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Rs. In Million					
	As at March 31, 2018		As at March 31, 2017			
	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments
Less than 1 year	14.32	-	2,521.43	16.73	-	2,520.01
1-3 Years	-	-	2,379.20	-	-	2,399.90
3 to 5 years	-	-	2,358.97	-	-	2,382.03
5+ years	0.81	-	5,759.14	0.81	-	6,385.25
Total	15.12	-	13,018.73	17.53	-	14,287.19
Carrying Value	15.12	-	9,711	17.53	-	10,287.37

The amounts included above for variable interest rate instruments for financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

27.3.2 Financing facilities

As at the reporting date there are no unused bank overdraft facilities and bank loan facilities which may be extended by mutual agreement.

27.7 Fair value measurements

27.7.1 Fair value measurements

This note provides information about how the company determines fair values of various financial assets and financial liabilities.

27.7.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required). Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at amortised cost	8,405.34	8,405.34	8,993.47	8,993.47
Receivables under service concession	8,405.34	8,405.34	8,983.47	8,983.47
Financial liabilities				
Financial liabilities held at amortised cost	8,816.68	8,816.68	9,223.28	9,223.28
Borrowings (including interest Accrued)	8,816.68	8,816.68	9,223.28	9,223.28

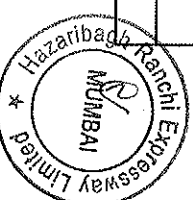
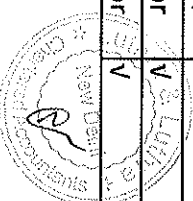


HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2018

26. Related Party Disclosures

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used	March 2018	March 2017
Ultimate Holding Company	Infrastruture Leasing & Financial Services	ILFS	✓	✓
Holding Company	IL&FS Transportation Networks Limited	ITNL	✓	✓
Fellow Subsidiaries of Holding Companies	ISSL CPG BPO Private Limited	ISSL		✓
(Only with whom there have been transaction during the period/ there was balance outstanding at the year end)	IL&FS Financial Services Limited	IFIN	✓	✓
Directors & Key Management Personnel ("KMP")	Gautam Tandasi	Manager	✓	✓
	Chandrakant Jagasia	Chief Financial Officer	✓	✓
	Dilip Darji	Company Secretary	✓	✓
	Sanjay Minglani	Director	✓	✓
	Vijay Kini	Director	✓	✓
	Sumathy Iyer	Director	✓	✓
	Prashant Agarwal	Director	✓	✓
	Sanjay Rane	Independent Director	✓	✓
	Parash Shah	Independent Director		✓
	Milan Chakravati	Independent Director	✓	✓
	Capt. Swapan Paul	Independent Director	✓	✓



HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2018

Related Party Disclosures (contd.)

Year ended March 31, 2018

(b) transactions/ balances with above mentioned related parties (mentioned in note 26 above)

Particulars	ITNL	ILFS	IFIN	ISCBPL	KMP	Total
Balance						
Equity share Capital	1,309.87	-	-	-	-	1,309.87
Secured loan - Subdebt	500.00	-	-	-	-	500.00
Unsecured loan - Long Term	1,480.00	-	-	-	-	1,480.00
Unsecured loan - Short Term	1,264.66	-	-	-	-	1,264.66
Interest Accrued and not due ST	184.44	-	-	-	-	184.44
Trade Payables	235.43	42.47	10.08	-	-	287.99

Transactions						
Interest on Loans (Expense)	162.85	-	-	-	-	162.85
Operating Expenses (Other than Construction Cost)	26.16	-	-	-	-	26.16
Finance Cost	37.97	46.40	42.19	-	-	126.56
Professional Fees	-	-	0.35	-	-	0.35
Deputation Cost	1.67	-	-	-	-	1.67
Periodic Maintenance Cost	36.32	-	-	-	-	36.32
Repayment of Lendings	71.52	-	-	-	-	71.52
Borrowings	28.85	-	-	-	-	28.85
Director Sitting Fees (Sanjay Minglani)	-	-	-	-	0.04	0.04
Director Sitting Fees (Vijay Kini)	-	-	-	-	0.15	0.15
Director Sitting Fees (Sumathy Iyer)	-	-	-	-	0.06	0.06
Director Sitting Fees (Prashant Agarwal)	-	-	-	-	0.06	0.06
Independent Director (Sanjay Rane)	-	-	-	-	0.16	0.16
Independent Director (Milan Chakravaty)	-	-	-	-	0.16	0.16
Independent Director (Capt. Swapan Paul)	-	-	-	-	0.07	0.07



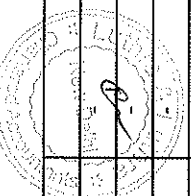
HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2018

Year ended March 31, 2017

(b) transactions/ balances with above mentioned related parties (mentioned in note 26 above)

Rs. In Million

Particulars	ITNL	ILFS	IFIN	ISCBPL	KMP	Total
Balance						
Equity share Capital	1,309.87	-	-	-	-	1,309.87
Secured Loan - Subdebt	500.00	-	-	-	-	500.00
Unsecured Loan - Long Term	1,480.00	-	-	-	-	1,480.00
Unsecured Loan - Short Term	1,307.33	-	-	-	-	1,307.33
Interest Accrued and not due ST	40.33	-	-	-	-	40.33
Trade Payables	193.88	-	37.54	-	-	231.41
Transactions						
Operating Expenses (Other than Construction Cost)	32.39	-	-	-	-	32.39
Construction Cost	207.10	-	-	-	-	207.10
Overlay Expenses	11.00	-	-	-	-	11.00
Finance Cost	401.77	-	-	-	-	401.77
Legal & Professional	-	-	-	0.02	-	0.02
Advisory Fees	-	-	41.11	-	-	41.11
Deputation Cost	1.17	-	-	-	-	1.17
Repayment of lendings	1,605.94	-	-	-	-	1,605.94
Borrowings	910.00	-	-	-	-	910.00
Director Sitting Fees (Sanjay Minglani)	-	-	-	-	0.05	0.05
Director Sitting Fees (Vijay Kini)	-	-	-	-	0.13	0.13
Director Sitting Fees (Sumathy Iyer)	-	-	-	-	0.06	0.06
Director Sitting Fees (Prashant Agarwal)	-	-	-	-	0.05	0.05
Independent Director (Sanjay Rane)	-	-	-	-	0.03	0.03
Independent Director (Paresh Shah)	-	-	-	-	0.06	0.06
Independent Director (Milan Chakravaty)	-	-	-	-	0.14	0.14
Independent Director (Capt. Swapan Paul)	-	-	-	-	0.02	0.02



HAZARIBAGH RANCHI EXPRESSWAY LIMITED**Notes forming part of Financial Statements for the year ended March 31, 2018**

Note - 28

Significant terms of Service Concession Arrangements.

Particulars	Project 1
Brief description of Concession	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 August 01, 2010 including construction period of 910 days required for 4 laning of the Project. The Company is entitled to receive half yearly Annuity of Rs.64.08Cr
Nature of Assets	Financial Asset
Year when SCA granted	2010
Period	18 years
Stage	Under Operation and Maintenance
Premature Termination	Force Majure or on event of default by either party
Overlay	Has to be incurred as and when the riding quality falls below the standards specified in the Concession Agreement

29. Segment Reporting

The company operates in a single business segment viz. Surface Transportation Business. Also it operates in a single geographic segment. In the absence of separate reportable business or geographic segments the disclosures required under the Indian Accounting Standard (INDAS) 108 on 'Operating Segments' are not applicable.

30. Previous year

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

31. Approval of financial statements

The Financial statements were approved for issue by the Board of Directors on 26th April 2018

In terms of our report attached.

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

Naresh Agrawal
Partner
Mem. No. : 504922

For and on behalf of the Board

Vijay Kini
Director
Din:06612768

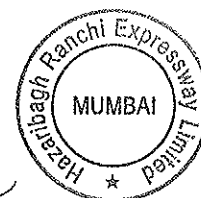
Chandrakant Jagasia
Chief Financial Officer

Prashant Agarwal
Director
Din:02348083

Dilip Darji
Company Secretary

Place: Mumbai
Date : 26th April 2018

Place: Mumbai
Date : 26th April 2018



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 9TH (NIGHTH) ANNUAL GENERAL MEETING

NOTICE is hereby given that the 9th(Ninth) Annual General Meeting of the Members of Hazaribagh Ranchi Expressway Limited will be Saturday, September 29, 2018, at 12.45 a.m., at The IL&FS Financial Centre, Plot C-22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 to transact the following business:

ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Audited Financial Statement for the year ended March 31, 2018 together with the Reports of the Board of Directors and the Auditors thereon
- (2) To appoint as director in place of Mr. Sanjay Minglani (DIN : 02960239), who retires by rotation and being eligible offers himself for re-appointment

SPECIAL BUSINESS:

- (3) To consider and, if thought fit to pass, with or without modifications, the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, including any statutory modifications or re-enactment(s) thereof and any rules made thereunder, for the time being in force, Mr. Milan Chakravarti (DIN: 07104909), who was appointed as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term period upto March 31, 2021”

- (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, for time being in force), the remuneration payable to M/s. Chivilkar Solanki & Associates, Cost Accountants, Mumbai (Firm Registration No.: 000468) as a Cost Auditors to conduct the audit of cost records of the Company for Financial Year 2018-19, as recommended by the Audit committee and approved by the Board of Directors of the Company, amounting to ₹ 60,000/- (Rupees Sixty Thousand) plus service tax as

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

applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby approved”

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

Dilip Darji
Company Secretary

Mumbai
August 17, 2018

Registered Office:

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

NOTES:

- (a) A Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself/herself and the proxy need not be a Member of the Company
- (b) Members/ Proxies are requested to bring their Attendance Slip duly filled in along with their copy of Annual Report to the Meeting
- (c) Save and except Mr. Sanjay Minglani and Mr. Milan Chakravarti as above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out under Item Nos. 2 & 3 of the Notice
- (d) Corporate Members intending to send their authorized representative to attend and vote at the meeting are requested to ensure that the authorized representative carries a duly certified true copy of the Board resolution, power of attorney or such other valid authorizations under Section 113 of the Companies Act, 2013, authorizing them to attend and vote at the meeting. In terms of the provisions of the Companies Act, 2013, the representatives of Corporate Members without proper authorization,

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

such as Board resolution or power of attorney or such other valid authorization, may not be able to attend the meeting

- (e) An Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (“Act”) in respect of Item nos. 3 is annexed and forms part of this Notice
- (f) All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the Members at the Company’s Registered Office on all working days (except Saturdays, Sundays and Public holidays) between 2.00 pm to 5.00 pm IST prior to the date of this Annual General Meeting
- (g) Pursuant to the Companies (Audit and Auditors) (2nd) Amendment Rules, 2018 have omitted proviso to sub-rule (7) of Rule 3 and explanation of Rule 3, the requirement of noting of ratification of appointment of Statutory Auditors of the Company has been discontinued with effect from May 7, 2018, hence the same has not been incorporated as a part of Notice of Annual General Meeting

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EXPLANATORY STATEMENT

Item No. 2:

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

Sr. No.	Particulars
Name	Mr. Sanjay Minglani
DIN	02960939
Date of Birth & Age	19/11/1966 50 years
Qualification	BE in Civil
Experience	26+ years
Terms and Conditions of Appointment	Re-appointed as Non-Executive, Non-Independent Director, liable to retire by rotation
Date of first appointment in the Board	July 17, 2013
Shareholding in the Company	NIL
Relationship with other Directors, Manager and KMP	NIL
No. of Board Meetings attended during the year	3
Other Directorships	1. Jharkhand Road Projects Implementation Company Limited 2. Jharkhand Infrastructure Implementation company Limited 3. Jharkhand Accelerated Road Development company Limited 4. Ranchi Muri Road Development Limited 5. Baleswar Kharagpur Expressway Limited 6. Barwa Adda Expressway Limited

Item No. 3

The Board of Directors, at its meeting held on February 21, 2018, approved the reappointment of Mr. Milan Chakravati as an Additional & Independent Director on the Board of the Company for a period from March 17, 2018 to March 31, 2021, subject to the approval of the shareholders. The details of Mr. Chakravati, as required to be given pursuant to the Secretarial Standards, are attached to the Notice. In view thereof, it is proposed that the Company continue to appoint Mr. Chakravati as an Independent Director on the Board of the

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Company in order to gain his professional expertise, significant experience and perspectives in the Company's further growth

The Board of Directors recommend the Special Resolution as set out in Item No. 4 of the Notice for the approval of the shareholders, as in the opinion of the Board, Mr. Chakravati fulfils the conditions for reappointment as specified in the Companies Act, 2013

Except Mr. Chakravati, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at Item No. 4.

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

Sr. No.	Particulars
Name	Mr. Milan Chakravarti
DIN	07104909
Date of Birth & Age	16/02/1953 65 years
Qualification	B.Com., M. Com., LL.B. Fellow Member of Institute of Chartered Accountants of India (ICA)
Date of first appointment in the Board	March 17, 2015
Shareholding in the Company	NIL
Relationship with other Directors, Manager and KMP	NIL
No. of Board Meetings attended during the year	4
Other Directorships	1. Jorabat Shillong Expressway Limited 2. Kiratpur Ner Chowk Expressway Limited 3. Thiruvananthapuram Road Development Company Limited 4. Hazaribagh Ranchi Expressway Limited 5. Sikar Bikaner Highway Limited 6. Jharkhand Road Projects Implementation Company Limited Barwa Adda Expressway Limited 7. Jharkhand Accelerated Road Development Company Limited 8. Baleshwar Kharagpur Expressway Limited 9. Karyavattom Sports Facilities Limited 10. Amravati Chikhli Expressway Limited

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Item No 4:

The Board of Directors on the recommendation of the Audit Committee, had approved the appointment of M/s Chivilkar Solanki & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for FY 2018-19

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 remuneration payable to Cost Auditor for FY 2018-19 is required to be approved by the Members of the Company. Accordingly, the members are requested to approve the remuneration payable to the Cost Auditor for the financial year ending March 31, 2019, as set out at Item No. 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 Resolution. The Board of Directors recommend the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members

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

Dilip Darji
Company Secretary

August 17, 2018

Registered Office:

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

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Attendance Slip

(To be handed over at the entrance of the Meeting hall)

9th (Ninth) Annual General Meeting held on Saturday, September 29, 2018, at 12.45 a.m.,

I hereby record my presence at the Ninth Annual General Meeting of Hazaribagh Ranchi Expressway Limited to be held at The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051 on Saturday, September 29, 2018, at 12.45 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.

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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

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3. Name:

Address:

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 9th Annual General Meeting of the company, to be held on held on the Saturday, September 29, 2018, at 12.45 a.m., at The IL&FS Financial Centre, Plot C-22, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai - 400051 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

Resolution No.		Vote		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of the Audited Financial Statements of the Company for the Financial Year ended March 31, 2018 together with the Report of the Directors and the Auditors thereto			
2.	Re-appointment of Mr. Sanajy Minglani (DIN : 02960939) as a Director, who retires by rotation and being eligible, offers himself for re-appointment			
Special Business				
3.	Reappointment of Mr. Milan Chakravarti (DIN: 07104909) as Independent Director			
4.	To approve of Cost Auditor's Remuneration for Financial Year 2018-19			

Signed this..... day of..... 20....

Signature of shareholder

Signature of Proxy holder(s)'

Affix ₹ 1
Revenue
Stamp

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

