

INDEPENDENT AUDITOR'S REPORT

To
Board of Directors,
Hazaribagh Ranchi Expressway Limited

We have audited the financial results of Hazaribagh Ranchi Expressway Limited ("the Company") for the year ended March 31, 2017 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

These financial results which are the responsibility of the Company's Management and approved by the Board of Directors, have been prepared on the basis of related financial statements, which is in accordance with Indian Accounting Standards, prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Our responsibility is to express an opinion on these financial results based on our audit.

We conducted our audit in accordance with the Auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us on these financial results:

- (i) have been presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 and SEBI circular No. CIR/IMD/DF1/69/2016 dated August 10, 2016 in this regard; and
- (ii) give a true and fair view in conformity with aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information for the year ended March 31, 2017.

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


Akhilesh Gupta
Partner
(M.No. 89909)

Date: May 10, 2017
Place: Mumbai

HAZARIBAGH RANCHI EXPRESSWAY LIMITED

Registered Office : The IL&FS Financial Centre, Plot C - 22, G - Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051.

<http://www.itnlindia.com/HREL-SPV.aspx>

CIN: U45203MH2009PLC191070

Balance sheet as on March 31, 2017

(Rs. in Lakhs)

	As at March 31, 2017 (Audited)		As at March 31, 2016 (Audited)	
ASSETS				
Non-current Assets				
Property, plant and equipment		0		0
Intangible assets				
(i) others	0	0	0	0
Financial assets				
(i) Other financial assets		83,965		87,448
Tax assets				
(i) Current Tax Asset (Net)		550		396
Other non-current assets				
(i) Capital advance		0		-
Total Non-current Assets		84,516		87,845
Current Assets				
Financial assets				
(i) Cash and cash equivalents	7,567		3,058	
(ii) Bank balance other than (i) above	5,679		1	
(iii) Other financial assets	5,877	19,124	6,033	9,092
Other current assets		95		107
Total Current Assets		19,219		9,199
Total Assets		103,735		97,044
EQUITY AND LIABILITIES				
Equity				
Equity share capital	13,100		13,100	
Other Equity	(3,966)		(12,790)	
Equity attributable to owners of the Company		9,134		310
Total Equity		9,134		310
LIABILITIES				
Non-current Liabilities				
Financial Liabilities				
(i) Long-term borrowings	73,904		57,052	
(ii) Other financial liabilities	-	73,904	-	57,052
Total Non-current Liabilities		73,904		57,052
Current liabilities				
Financial liabilities				
(i) Borrowings	13,477		34,833	
(ii) Trade payables	2,336		514	
(iii) Other financial liabilities	4,853	20,665	4,329	39,675
Other current liabilities		33		6
Total Current Liabilities		20,698		39,681
Total Liabilities		94,601		96,733
Total Equity and Liabilities		103,735		97,044

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Statement of Audited Financial Results for the year ended March 31, 2017

(Rs. in Lakhs)

Particulars	Year ended	
	March 31, 2017	March 31, 2016
	(Audited)	(Audited)
1 (a) Revenue from operations	9,176	7,296
(b) Other income	102	21
Total income	9,278	7,317
2 Expenses		
(a) Operating expenses	2,505	1,472
(b) Finance Costs	10,679	11,042
(c) Depreciation and amortisation expense	0	0
(d) Other expenses	124	146
Total expenses	13,309	12,659
3 Profit before Tax	(4,031)	(5,343)
4 Less : Tax expense		
(1) Current Tax	-	-
(2) Deferred Tax	-	-
5 Profit for the period	(4,031)	(5,343)
6 Other Comprehensive Income / (Expense) (after tax)	-	-
7 Total comprehensive income (after tax)	(4,031)	(5,343)
8 i Paid-up equity share capital (face value - ₹ 10 per share)	13,100	13,100
8 ii Paid-up Debt Capital	92,233	96,214
9 Net worth	9,134	310
10 Debenture Redemption Reserve	-	-
11 Earnings per share (of ₹ 10/- each) :		
(a) Basic	(3.08)	(4.08)
(b) Diluted	(3.08)	(4.08)
12 Ratios (Refer Note 7 below)		
(a) Debt/Equity Ratio (number of times)	10.10	310.03
(b) Debt Service Coverage Ratio (DSCR) (number of times)	0.23	0.25
(c) Interest Service Coverage Ratio (ISCR) (number of times)	0.62	0.52
See accompanying Notes 1 to 12 to the financial results		

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Notes to the Audited Financial Results for the Year ended March 31, 2017:

1 The above financial results of the Company for the year ended March 31, 2017 has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 10, 2017. An audit of the financial results for the year ended March 31, 2017 has been completed by the Statutory Auditor of the Company

2 Reconciliation of Profit after tax between Previous GAAP and IND AS as under:

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2016 (Audited)
Net Profit (after tax) under Previous GAAP	(6,492)
Accounting for the service concession arrangement in accordance with the guidance given in Appendix A of Ind AS 11	864
Impact Due to Effective Interest rate adjustment	285
Net Profit (after tax) under IND AS	(5,343)

3 Reconciliation of total equity

Particulars	As at March 31, 2016 (End of last period presented under previous GAAP)
Total equity / shareholders' funds under previous GAAP	(7,999)
Adjustments:	
Accounting for the service concession arrangement in accordance with the guidance given in Appendix A of Ind AS 11	7,912
Impact Due to Effective Interest rate adjustment	397
Total adjustment to equity	8,309
Total equity under Ind AS	310

4 The end use of proceeds of issue of NCDs has been inline with the objects stated in the respective offer documents. The details of the same is as below:

Particulars	Rs. in Lakhs
Repayment of existing Senior Loans and unsecured sponsor loan including interest and expenses in relation to the issue	65,041
Funding of Debt Service Reserve Account	5,300
Fixed Deposits pending utilisation	1,159
Total	71,500

5 All secured borrowings obtained by the Company are covered under a pari-passu first charge in favour of the Debenture Trustee on the project assets and all tangible and intangible assets, including but not limited to rights over the project site, project documents, financial assets such as receivables, cash, investments, insurance proceeds, etc.

6 The Company is engaged in the business of setting up of infrastructure facility by way of development of infrastructure projects, operation and maintenance of infrastructural facilities. As such, all activities undertaken by the Company are incidental to the main business. There are no separate reportable business segments as per IND AS 108 on "Operating Segment".

7 Formula used for the computation of the Ratios:

a) Debt/Equity Ratio = Debt / (Equity Share Capital + Reserves & Surplus)

b) Debt = Aggregate of Long-term borrowings, Current maturities of Long-term borrowings and Short-term borrowings excluding preference shares

c) Debt Service Coverage Ratio (DSCR) = Profit before Interest Expenses and Tax / (Interest Expenses + Principal Repayment excluding refinancing of loans)

d) Interest Service Coverage Ratio (ISCR) = Profit before Interest Expenses and Tax / Interest Expenses

8 Net worth as per Listing Regulations means net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013.

9 Details of Credit Rating:

Non-convertible debentures ("NCDs"): CARE AAA(SO), ICRA AAA(SO)

10 The next due date for the payment of interest on NCD is on April 14, 2017 and repayment of NCDs is on October 13, 2017.

11 Since, debt was listed on February 28, 2017, half year ended numbers have not been provided.

12

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

For and on behalf of the Board



Company Secretary

Dilip Darji

ACS No. A22527

Place: Mumbai

Date: May 10, 2017