

## **INDEPENDENT AUDITOR'S REPORT**

To The Members of  
East Hyderabad Expressway Limited

### **Report on the Financial Statements**

We have audited the accompanying financial statements of East Hyderabad Expressway Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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, and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 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 litigations on its financial position in its financial statement- Refer note 21 to financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Luthra & Luthra  
Chartered Accountants

FRN: 002081N

Akhlesh Gupta

Partner

M.No: 89909



Place: Mumbai

Date: April 28, 2016

**Annexure - A to the Auditors' Report****The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016**

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 hold 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 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, 2016 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 other than as given below:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where Dispute is pending
Income tax	Income tax	Rs. 64,629,940	FY 2010-11	ITAT



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/provided for 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 financial statements as required by the applicable 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.

For Luthra & Luthra  
Chartered Accountants  
FRN: 002081N



**Akhilesh Gupta**  
Partner  
M.No: 89909

Place: Mumbai  
Date: April 28, 2016

**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 East Hyderabad Expressway Limited ("the Company") as of 31<sup>st</sup> March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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

FRN: 002081N



Akhilesh Gupta

Partner

M.No: 89909

Place: Mumbai

Date: April 28, 2016

**EAST HYDERABAD EXPRESSWAY LIMITED**

CIN Number : U45203MH2007PLC172133

**Balance Sheet As At March 31, 2016**

Particulars	Note	As At March 31, 2016		As At March 31, 2015	
<b>I EQUITY AND LIABILITIES</b>					
<b>1 SHAREHOLDERS' FUNDS</b>					
(a) Share capital	2	29,31,00,000		29,31,00,000	
(b) Reserves and surplus	3	29,94,42,702	59,25,42,702	14,15,48,687	43,46,48,687
<b>2 NON-CURRENT LIABILITIES</b>					
(a) Long-term borrowings	4	1,68,73,29,554	1,68,73,29,554	2,27,20,43,840	2,27,20,43,840
<b>3 CURRENT LIABILITIES</b>					
(a) Short-term borrowings	5	63,36,24,545		7,50,00,000	
(b) Trade payables	6	-		-	
- Dues to micro and small enterprise		-		-	
- Dues to others		1,20,81,899		34,69,593	
(c) Other current liabilities	7	70,04,49,502		64,56,25,517	
(d) Short-term provisions	8	4,30,00,000	1,38,91,55,946	-	72,40,95,110
<b>TOTAL</b>			<b>3,66,90,28,202</b>		<b>3,43,07,87,637</b>
<b>II ASSETS</b>					
<b>1 NON CURRENT ASSETS</b>					
(a) Fixed assets	9				
(i) Tangible assets		2,57,60,03,291.12		3,00,06,92,498	
(b) Long-term loans and advances	10	9,74,71,499.00	2,67,34,74,790	8,69,37,957	3,08,76,30,455
<b>2 CURRENT ASSETS</b>					
(a) Trade receivables	11	87,82,23,590.00		22,11,03,590	
(b) Cash and bank balances	12	9,97,07,494.80		10,17,37,252	
(c) Short-term loans and advances	13	1,69,51,318.00		1,98,42,174	
(d) Other current assets	14	6,71,009.00	99,55,53,412	4,74,166	34,31,57,182
<b>TOTAL</b>			<b>3,66,90,28,202</b>		<b>3,43,07,87,637</b>

Notes 1 to 29 form part of the financial statements

In terms of our report attached.

**For Luthra & Luthra**  
 Chartered Accountants  
 Firm Registration No : 002081N

**Akhilesh Gupta**  
 Partner  
 Membership No. 89909  
 Place: Mumbai  
 Date: April 28, 2016

For and on behalf of the Board

  
 Director


  
**Chief Financial Officer**  
 Place: Mumbai  
 Date: April 28, 2016


  
 Director


  
**Company Secretary**



**EAST HYDERABAD EXPRESSWAY LIMITED**

CIN Number : U45203MH2007PLC172133

**Statement of Profit and Loss for the year Ended March 31, 2016**

	Particulars	Note	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>I</b>	<b>Revenue from operations</b>	<b>15</b>	66,60,00,000	66,60,00,000
<b>II</b>	<b>Other income</b>	<b>16</b>	33,90,20,491	20,23,862
<b>III</b>	<b>Total revenue (I + II)</b>		<b>1,00,50,20,491</b>	<b>66,80,23,862</b>
<b>IV</b>	<b>Expenses</b>			
	Operating expenses	<b>17</b>	2,85,95,273	3,20,75,807
	Employee benefit expenses	<b>18</b>	35,558	-
	Finance costs	<b>19</b>	34,18,07,589	37,23,11,273
	Other expenses	<b>20</b>	89,98,849	64,81,233
	Depreciation and amortization expense	<b>9</b>	42,46,89,207	42,32,13,423
	<b>Total expenses</b>		<b>80,41,26,476</b>	<b>83,40,81,736</b>
<b>V</b>	<b>Profit / (Loss) before tax (VII-VIII)</b>		<b>20,08,94,015</b>	<b>(16,60,57,874)</b>
<b>VI</b>	<b>Tax expense:</b>			
	(1) Current tax		4,30,00,000	-
	<b>Total tax expenses (X)</b>		<b>4,30,00,000</b>	<b>-</b>
<b>XI</b>	<b>Profit / (Loss) for the period (IX + X)</b>		<b>15,78,94,015</b>	<b>(16,60,57,874)</b>
<b>XII</b>	Earnings per equity share (Face value per share Rupees 10/-):	<b>20</b>		
	(1) Basic		5.39	(5.67)
	(2) Diluted		5.39	(5.67)

Notes 1 to 29 form part of the financial statements

In terms of our report attached.

For **Luthra & Luthra**

Chartered Accountants

Firm Registration No : 002081N

**Akhilesh Gupta**

Partner

Membership No. 89909

Place: Mumbai

Date: April 28, 2016



For and on behalf of the Board

**Director**

**Director**

**Chief Financial Officer**

Place: Mumbai

Date: April 28, 2016

**Company Secretary**

**EAST HYDERABAD EXPRESSWAY LIMITED**

CIN Number : U45203MH2007PLC172133

**Cash Flow Statement for the year ended March 31, 2016**

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Cash Flow from Operating Activities</b>		
<b>Profit / (Loss) Before Tax</b>	<b>20,08,94,015</b>	<b>(16,60,57,874)</b>
<b>Adjustments for :-</b>		
Depreciation	42,46,89,207	42,32,13,423
Tax relating to earlier period	-	-
Interest on fixed deposits	(60,20,491)	(20,23,862)
Loss on sale of fixed assets (net)	-	-
Interest and finance expense	34,18,07,589	37,23,11,273
<b>Operating profit before Working Capital Changes</b>	<b>96,13,70,320</b>	<b>62,74,42,960</b>
<b>Adjustments / changes in working capital:</b>		
Decrease / (Increase) in Other current assets, other non-current assets & Trade receivables	(64,88,17,484)	10,85,68,129
(Decrease) / Increase in Other current liabilities, other non-current liability & Trade payables	85,87,047	(20,60,047)
<b>Cash Generated from / (used in ) Operating Activities</b>	<b>32,11,39,883</b>	<b>73,39,51,042</b>
Payment of Taxes	(1,61,42,045)	(1,55,22,389)
<b>Net Cash generated from / (used in ) Operating activity (A)</b>	<b>30,49,97,838</b>	<b>71,84,28,653</b>
<b>Cash flow from Investing Activities</b>		
Interest on deposits	60,20,491	20,23,862
Purchase of fixed assets	-	-
Proceeds from sale of fixed assets	-	-
Increase/ (Decrease) in Bank balance not consider as cash and cash equivalent	(52,21,603)	(9,12,99,687)
<b>Net Cash (used in) / generated from Investing Activities (B)</b>	<b>7,98,888</b>	<b>(8,92,75,825)</b>
<b>Cash flow from Financing Activities</b>		
Proceeds from Short Term Borrowings	71,86,24,545	52,23,00,000
Repayment of Long Term Borrowings	(57,17,71,428)	(34,74,85,714)
Repayment of Short Term Borrowings	(16,00,00,000)	(44,73,00,000)
Interest & Finance charges paid	(29,99,01,204)	(37,23,11,273)
<b>Net Cash from Financing Activities (C)</b>	<b>(31,30,48,087)</b>	<b>(64,47,96,987)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(72,51,360)</b>	<b>(1,56,44,160)</b>
Cash and Cash Equivalent at the beginning of the year	1,04,37,565	2,60,81,725
<b>Cash and Cash Equivalent at the end of the year (Refer footnote)</b>	<b>31,86,205</b>	<b>1,04,37,565</b>

**Footnotes:****Reconciliation of Cash and cash equivalents with the Balance Sheet**

Cash and cash equivalents as per Balance Sheet (Refer note 12)	31,86,205	1,04,37,565
Less: Bank balances not considered as cash and cash equivalents as defined in AS 3 Cash Flow Statements		
Fixed deposits placed for periods exceeding 3 months		-
<b>Cash and Cash Equivalent at the end of the year *</b>	<b>31,86,205</b>	<b>1,04,37,565</b>
<b>* Components of Cash &amp; Cash Equivalent</b>		
Cash on hand	24,419	6,238
Balances with banks		
- In Current accounts	31,61,786	1,04,31,327
- In Deposit accounts		
	31,86,205	1,04,37,565
Bank balances held as margin money or as security against borrowings	9,65,21,290	9,12,99,687
<b>Total</b>	<b>9,97,07,495</b>	<b>10,17,37,252</b>

Notes 1 to 29 form part of the financial statements

For **Luthra & Luthra**  
Chartered Accountants  
Firm Registration No : 00208

**Akhilesh Gupta**  
Partner  
Membership No. 89909  
Place: Mumbai  
Date: April 28, 2016



For and on behalf of the Board

Director

Chief Financial Officer

Place: Mumbai  
Date: April 28, 2016

Director

Company Secretary

**Notes to Financial Statement for year ended March 31, 2016**

**Note No. 1 – Background and Significant Accounting Policies**

**(a) Background**

The Company was incorporated under the Companies Act, 1956 on July 5, 2007. It was issued "Certificate of Commencement of Business" on September 28, 2007. The Company is a special purpose vehicle promoted by IL&FS Transportation Networks Limited. The Company entered into a Concession Agreement with Hyderabad Urban Development Authority ("HUDA") on August 3, 2007. Under the terms of Agreement, the Company has obtained concession to Design, Construct, Develop, Finance, Operate and Maintain eight lane access control expressway under Phase II A programme as an extension of Phase I for outer ring road to Hyderabad city in the State of Andhra Pradesh on Build, Operate and Transfer (Annuity) basis (hereinafter referred to as the Project).

**(b) Significant Accounting Policies**

**1. Basis of preparation of Financial Statements**

The financial statement is prepared in accordance with the Generally Accepted Accounting Principles in India, Accounting Standards as per section 133 of the Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules 2014. The Company generally follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties or otherwise accounted for on cash basis.

**2. Use of estimates**

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

**3. Revenue Recognition:**

The Concession Agreement envisages Revenue in the form of semi-Annual payments of Annuity of a fixed sum on pre-determined dates. The company's right to Annuity is established once the Commercial Operation Date ("COD") is achieved. The Annuity is accounted in the books of account on accrual basis based on the annuity payment schedule.

**4. Grant:**

Grant from Hyderabad Urban Development Authority under the Concession Agreement towards project cost is treated as cash support and is considered as a part of capital reserve.



**Notes to Financial Statement for year ended March 31, 2016**

**5. Fixed Assets and Depreciation:**

**Tangible Fixed assets depreciation**

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

Tangible fixed assets acquired by the Group 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 capitalised up to the date when the asset is ready for its intended use.

Depreciation on tangible fixed assets is computed as under:

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 other than assets specified in para below

Following assets are depreciated over a useful life which is shorter than the life prescribed under Schedule II of the Companies Act 2013 based on internal technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc.:

<b>Asset</b>	<b>Useful Life (years)</b>	<b>Method</b>
Data Processing Equipment (Server & Networking)	4	SLM
Mobile Phones and I pad / Tablets	Fully depreciated in the year of purchase	-
Specialised office equipment's	3	SLM
Vehicles	8	SLM
Assets provided to employees	3	SLM
Leasehold improvement costs	Amortised over Primary period of Lease	SLM
All categories of assets costing less than Rs.5,000/- each	Fully depreciated in the year of purchase	-

The residual value of all the assets is retained at Rs.1/- each



## Notes to Financial Statement for year ended March 31, 2016

### 6. Capital Work-in-Progress:

Capital Work-in-progress includes direct and attributable expenses for construction project less interest income on temporary deployment of funds and other incidental income, if any. The capital work-in-progress shall be capitalized on completion of the construction of the road project and it being available for commercial use.

### 7. Preliminary Expenditure:

Preliminary Expenses incurred on incorporation of the Company are fully written off to the Profit & Loss statement.

### 8. Borrowing Costs:

Borrowing Costs attributable to the construction of road are treated as a part of Capital Work in progress and the same are capitalized once the project is ready for commercial operations.

### 9. Accounting for Taxes on Income

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

Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses only to the extent that there are timing difference, the reversal of which will result in sufficient income or there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date.

### 10. Impairment of Assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists or when annual impairment testing for an asset is required, the company makes an estimate of the assets recoverable amount.

Impairment Loss is recognized whenever the carrying amount of an asset is in excess of its recoverable amount as an expense. The Impairment loss is recognized as an expense in the statement of Profit and Loss and carrying amount of the asset is reduced to its recoverable value.

### 11. Provisions, Contingent Liabilities and Assets:

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



**Notes to Financial Statement for year ended March 31, 2016**

**12. Cash Flow Statement:**

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

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

**13. Accounting of Claims:**

Price Escalation and other claims or variation are recognized and reduced from the capital cost only when:-

(a) Negotiations have reached to an advanced stage such that it is probable that authority will accept the claim; and/or

(b) The amount that is probable will be accepted by the authority and can be measured reliably.

**14. Earnings per Share (EPS):**

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

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

**15. Current/Non-Current Assets and Liabilities:**

Assets are classified as current when it satisfies any of following criteria:

- 1) It is expected to be realized within twelve months after the reporting date,
- 2) It is held primarily for the purpose of being traded,
- 3) It is Cash or cash equivalent unless it restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

---

All other assets are classified as Non-current

Liabilities are classified as current when it satisfies any of following criteria:

- 4) It is expected to be settled within twelve months after the reporting date,
- 5) It is held primarily for the purpose of being traded,
- 6) The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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All other liabilities are classified as Non-current.



**EAST HYDERABAD EXPRESSWAY LIMITED**
**Notes to Financial Statements for the year ended March 31, 2016**
**Note 2: Share capital**

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	₹	Number	₹
<b>Authorised</b> Equity Shares of Rupees 10/- each	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000
<b>Issued</b> Equity Shares of Rupees 10/- each	2,93,10,000	29,31,00,000	2,93,10,000	29,31,00,000
<b>Subscribed and Paid up</b> Equity Shares of Rupees 10/- each fully paid (refer foot note no. i, ii, and iii)	2,93,10,000	29,31,00,000	2,93,10,000	29,31,00,000
<b>Total</b>	<b>2,93,10,000</b>	<b>29,31,00,000</b>	<b>2,93,10,000</b>	<b>29,31,00,000</b>

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

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

**ii. Reconciliation of the number of shares outstanding at the beginning and at the end of the period / year**

Particulars	As at March 31, 2016		As at March 31, 2015	
	Equity Shares		Equity Shares	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the period / year	2,93,10,000	29,31,00,000	2,93,10,000	29,31,00,000
Shares issued during the period / year	-	-	-	-
Shares bought back during the period / year	-	-	-	-
Shares outstanding at the end of the period / year	2,93,10,000	29,31,00,000	2,93,10,000	29,31,00,000

**iii. Shareholding more than 5%**

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited (the Holding Company)	2,16,89,400	74%	2,16,89,400	74%
KMC Construction Limited (Company with significant influence)	29,31,000	10%	29,31,000	10%
KMC Infratech Limited (Company with significant influence)	46,89,600	16%	46,89,600	16%

**iv. Shares held by holding company :**

2,16,89,400 Equity Shares (Previous year 2,16,89,400) are held by IL&FS Transportation Networks Ltd, the holding company.

**Note 3: Reserves and surplus**

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>(a) Capital Reserve</b>				
Grant from Hyderabad Urban Development Authority (HUDA)				
Balance as per last financial statements	77,65,00,000		77,65,00,000	
Reclassified during the year	-		-	
(+) Received during the period / year	-	77,65,00,000	-	77,65,00,000
Closing balance				
<b>(b) Surplus in Statement of Profit and Loss</b>				
Balance as per last financial statements	(63,49,51,313)		(46,87,44,236)	
(-) Adjustment due to change in accounting policy	-		(1,49,203)	
(+) Profit / (Loss) for current year	15,78,94,015	(47,70,57,298)	(16,60,57,874)	(63,49,51,313)
<b>Total</b>		<b>29,94,42,702</b>		<b>14,15,48,687</b>



**EAST HYDERABAD EXPRESSWAY LIMITED**

**Notes to Financial Statements for the year ended March 31, 2016**

**Note 4: Long-term borrowings**

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>Term Loans Secured</b>				
From banks (refer footnote a,b,c)	96,72,08,125	1,53,87,58,125	1,17,40,08,125	1,86,77,58,125
From financial institutions (refer footnote a,b,c)	57,15,50,000		69,37,50,000	
<b>Unsecured</b>				
From banks (refer footnote "d")		14,85,71,429		29,71,42,857
From financial institutions (refer footnote "e")		-		10,71,42,857
<b>Total</b>		<b>1,68,73,29,554</b>		<b>2,27,20,43,840</b>

**Footnote:**

a) Secured by hypothecation of:

- (i) All monies including Annuity receivables from Hyderabad Urban Development Authority ("HUDA") to the credit of the Escrow Account.
- (ii) All rights, title, interest, benefits, claims, and demands of the Company under Project Agreements subject to the provisions of the Concession Agreement.
- (iii) Assignment of rights, title and interest to or in favor of the lenders pursuant to and in accordance with the Substitution Agreement as per the provisions of the Financing Documents of the Project.
- (iv) Assignment of Insurance policies in favour of Lenders.

b) Repayment Schedule (Secured Loan): Payable in half yearly installments

Payable Financial Year ending	As at March 31, 2016	As at March 31, 2015
2015-16		27,32,00,000
2016-17	32,90,00,000	32,90,00,000
2017-18	34,54,00,000	34,54,00,000
2018-19	37,70,00,000	37,70,00,000
2019-20	41,70,00,000	41,70,00,000
2020-21	39,93,58,125	39,93,58,125
<b>Total</b>	<b>1,86,77,58,125</b>	<b>2,14,09,58,125</b>

c) Term loan of ₹ 32,90,00,000/- which is repayable within one year (Previous year ₹ 27,32,00,000/- ) is classified under " Current maturity of long term debt "

d) Repayment Schedule (Unsecured Loan From banks Payable in seven half yearly installments)

Payable Financial Year ending	As at March 31, 2016	As at March 31, 2015
2015-16		14,85,71,429
2016-17	14,85,71,429	14,85,71,429
2017-18	14,85,71,429	14,85,71,429
<b>Total</b>	<b>29,71,42,857</b>	<b>44,57,14,286</b>

e) Repayment Schedule (Unsecured Loan From financial institutions Payable in seven half yearly installments)

Payable Financial Year ending	As at March 31, 2016	As at March 31, 2015
The Loan which was repayable in installments has been voluntarily prepaid during the period.		
<b>Total</b>	<b>-</b>	<b>-</b>





**EAST HYDERABAD EXPRESSWAY LIMITED**
**Notes to Financial Statements for the year ended March 31, 2016**
**Note 5: Short-term borrowings**

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>Loans and advances from related parties</b>				
Unsecured	63,36,24,545	63,36,24,545	7,50,00,000	7,50,00,000
<b>Total</b>		<b>63,36,24,545</b>		<b>7,50,00,000</b>

**Note 6: Trade payable**

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>(a) Total outstanding dues</b>				
<b>Trade Payables</b>				
To related parties	1,17,15,071		31,02,765	
To others	3,66,828	1,20,81,899	3,66,828	34,69,593
<b>Total</b>		<b>1,20,81,899</b>		<b>34,69,593</b>

**Note 7: Other current liabilities**

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>(a) Current maturities of long-term debt</b>				
<b>Term Loans</b>				
<b>Secured</b>				
From banks (refer note no 4)	20,68,00,000		17,20,00,000	
From financial institutions (refer note no 4)	12,22,00,000	32,90,00,000	10,12,00,000	27,32,00,000
From others	-		-	
<b>Unsecured</b>				
From banks (refer note no 4)	14,85,71,429		14,85,71,428	
From financial institutions	-	14,85,71,429	4,28,57,143	19,14,28,571
<b>(b) Payable on account of capital expenditure</b>				
To related parties	17,74,48,745		17,74,48,745	
To others	-	17,74,48,745	-	17,74,48,745
<b>(c) Interest accrued but not due on borrowings</b>				
From related parties		4,19,06,385		
<b>(d) Other liabilities (Refer footnote)</b>				
Statutory Dues Payable	99,112		10,090	
Expenses Payables	34,23,831	35,22,943	35,38,111	35,48,201
<b>Total</b>		<b>70,04,49,502</b>		<b>64,56,25,517</b>

**Footnote**

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

**Note 8: Short-term provisions**

Particulars	As at March 31, 2016		As at March 31, 2015	
Provision for tax (net of advance)	4,30,00,000	4,30,00,000	-	-
		<b>4,30,00,000</b>		-



**EAST HYDERABAD EXPRESSWAY LIMITED**

Notes to Financial Statements for the year ended March 31, 2016

Note 9: Fixed assets

Particulars	Gross block			Depreciation Charge for the year	On disposals	As at March 31, 2016	As at March 31, 2016	Balance as at March 31, 2016	Net block Balance as at March 31, 2015
	As at April 1, 2015	Additions	Disposals						
<b>Tangible assets</b>	<b>4,72,75,06,770</b>	-	-	<b>42,45,37,060</b>	-	<b>2,15,16,03,285</b>	<b>2,15,16,03,285</b>	<b>2,57,59,03,485</b>	<b>3,00,04,40,545</b>
Road	5,88,583	-	-	1,17,119	-	5,61,811	5,61,811	26,772	1,43,891
Vehicles	3,90,940	-	-	-	-	3,90,917	3,90,917	23	23
Data processing equipments	2,86,520	-	-	6,498	-	2,76,155	2,82,653	3,867	10,365
Office equipments	3,34,291	-	-	28,530	-	2,36,617	2,65,147	69,144	97,674
Furniture and fixtures	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4,72,91,07,104</b>	-	-	<b>42,46,89,207</b>	-	<b>2,15,31,03,813</b>	<b>2,15,31,03,813</b>	<b>2,57,60,03,291</b>	<b>3,00,06,92,498</b>
<b>Grand total</b>	<b>4,72,91,07,104</b>	-	-	<b>42,46,89,207</b>	-	<b>2,15,31,03,813</b>	<b>2,15,31,03,813</b>	<b>2,57,60,03,291</b>	<b>3,00,06,92,498</b>
<b>Previous year</b>	<b>4,72,91,07,104</b>	-	-	<b>42,32,13,423</b>	-	<b>1,72,84,14,606</b>	<b>1,72,84,14,606</b>	<b>3,00,06,92,498</b>	<b>3,42,40,55,122</b>



**EAST HYDERABAD EXPRESSWAY LIMITED**

Notes to Financial Statements for the year ended March 31, 2016

**Note 10: Long-term loans and advances**

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>(a) Capital Advances</b>				
Secured, considered good	-		-	-
Unsecured, considered good				
To others	4,85,56,151	4,85,56,151	4,85,56,151	4,85,56,151
<b>(a) Security Deposits</b>				
Secured, considered good	-		-	
Unsecured, considered good	12,500	12,500	12,500	12,500
<b>(b) Other long term loans and advances</b>				
Unsecured, considered good				
- Advance payment of taxes (net of provision)	4,76,97,106		3,15,55,061	
- Prepaid Expenses	12,05,742	4,89,02,848	68,14,245	3,83,69,306
<b>Total</b>		<b>9,74,71,499</b>		<b>8,69,37,957</b>

**Note 11: Trade receivables**

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>(a) Trade receivables outstanding for a period less than six months from the date they are due for payment</b>				
Unsecured, considered good	86,43,20,000	86,43,20,000	20,72,00,000	20,72,00,000
<b>(b) Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>				
Unsecured, considered good	1,39,03,590	1,39,03,590	1,39,03,590	1,39,03,590
<b>Total</b>		<b>87,82,23,590</b>		<b>22,11,03,590</b>



## EAST HYDERABAD EXPRESSWAY LIMITED

Notes to Financial Statements for the year ended March 31, 2016

### Note 12: Cash and bank balances

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>(a) Cash and Cash Equivalents</b>				
(a) Cash on hand	24,419		6,238	
(b) Balances with banks				
- on Escrow / Current accounts (Refer footnote)	31,61,786		1,04,31,327	
- In Deposit accounts (maturity of less than 3 months)	-	31,86,205	-	1,04,37,565
(b) Other bank balances				
Fixed Deposits placed for a period less than 3 months lien with bank	9,65,21,290	9,65,21,290	9,12,99,687	9,12,99,687
<b>Total</b>		<b>9,97,07,495</b>		<b>10,17,37,252</b>

**Foot note:**

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

### Note 13: Short-term loans and advances

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>(a) Loans and advances to related parties</b>				
Unsecured, considered good				
- Others	-	-	-	-
(b) Other loans and advances				
Unsecured, considered good				
- Advance payment of taxes (net of provision)	1,37,73,052		1,37,73,052	
- Prepaid Expenses	31,78,266	1,69,51,318	60,69,122	1,98,42,174
<b>Total</b>		<b>1,69,51,318</b>		<b>1,98,42,174</b>

### Note 14: Other Current Assets

Particulars	As at March 31, 2016		As at March 31, 2015	
Interest accrued on term deposits	6,71,009	6,71,009	4,74,166	
<b>Total</b>		<b>6,71,009</b>		<b>4,74,166</b>



**EAST HYDERABAD EXPRESSWAY LIMITED**

Notes to Financial Statements for the year ended March 31, 2016

**Note 15: Revenue from operations**

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
<b>Annuity Income</b>		66,60,00,000		66,60,00,000
		<b>66,60,00,000</b>		<b>66,60,00,000</b>

**Note 16: Other income**

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
<b>(a) Interest Income</b>				
	Interest on bank deposits	60,20,491	20,23,862	20,23,862
Interest on Income Tax refund	-	60,20,491	-	-
<b>(b) Claim with Authority</b>		33,30,00,000		-
		<b>33,90,20,491</b>		<b>20,23,862</b>



## EAST HYDERABAD EXPRESSWAY LIMITED

### Notes to Financial Statements for the year ended March 31, 2016

#### Note 17: Operating expenses

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
Operation and maintenance expenses		2,85,95,273		3,20,75,807
<b>Total</b>		<b>2,85,95,273</b>		<b>3,20,75,807</b>

#### Note 18: Employee benefit expenses

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
(a) Salaries and wages		35,558	-	
(b) Contribution to provident and other funds	-		-	
(c) Staff welfare expenses	-		-	
<b>Total</b>		<b>35,558</b>		-

Footnote: (Disclosure to be given as per AS-15)

(i) Gratuity Act is not applicable to the company hence no provision has been made in the books of accounts

#### Note 19: Finance costs

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
(a) Interest expenses Interest on loans for fixed period	33,31,73,522	33,31,73,522	36,35,36,314	36,35,36,314
(b) Other borrowing costs Other finance charges	86,34,067	86,34,067	87,74,959	87,74,959
<b>Total</b>		<b>34,18,07,589</b>		<b>37,23,11,273</b>

#### Note 20: Other expenses

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
Legal and consultation fees	47,92,093		39,50,855	
Travelling and conveyance	1,62,962		2,82,684	
Deputed staff cost	9,56,208		9,38,032	
Rates and taxes	15,953		11,406	
Repairs and maintenance - Others	15,32,343		-	
Insurance	700		9,593	
Printing and stationery	-		80,616	
Sitting fees - Director's and Invitees	4,60,000		1,85,000	
Auditors' Remuneration (Refer foot note)	10,05,730		9,94,388	
Miscellaneous expenses	72,860	89,98,849	28,659	64,81,233
<b>Total</b>		<b>89,98,849</b>		<b>64,81,233</b>

#### Auditors remuneration includes:

Sr No	Description	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>1</b>	<b>As Auditor:</b> - Statutory Audit	8,57,375	8,42,700
<b>2</b>	<b>In other Capacity:</b> - Other Services	1,48,355	1,51,688
	<b>Total</b>	<b>10,05,730</b>	<b>9,94,388</b>



**EAST HYDERABAD EXPRESSWAY LIMITED****Notes to Financial Statements for the year ended March 31, 2016****Note 21: Contingent liabilities, capital commitments & Other****A) Estimated amount of contracts remaining to be executed on capital and other account :**

Particulars ( Description & name of party)	For the year ended March 31, 2016	Year ended March 31, 2015
<b>Capital Commitments</b>	Nil	
<b>Other Commitments</b>		
Estimated amount of contracts to be executed on Operation & Maintenance (upto the end of concession period) and not provided for		
1   IL&FS Transportation Networks Limited	23,14,50,629	26,00,45,902
Estimated amount of contracts to be executed on Overlay cost & Maintenance (upto the end of concession period) and not provided for		
1   IL&FS Transportation Networks Limited	70,78,99,999	70,78,99,999

**Contingent liabilities:**

Particulars ( Description & name of party)	For the year ended March 31, 2016	Year ended March 31, 2015
Income tax demands contested by the Company	6,46,29,940	6,46,29,940.00

**Note 22: Earnings per equity share**

Particulars	Unit	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit / (Loss) after tax	₹	15,78,94,015	(16,60,57,874)
Weighted number of Equity Shares outstanding	Numbers	2,93,10,000	2,93,10,000
Nominal Value of equity shares	₹	10	10
Basic Earnings per share		5.39	-5.67
Equity shares used to compute diluted earnings per share		2,93,10,000	2,93,10,000
Diluted Earnings per share	₹	5.39	-5.67



## EAST HYDERABAD EXPRESSWAY LIMITED

Notes to Financial Statements for the year ended March 31, 2016

### Note 23: Related Party Disclosure

Related party Disclosures as per AS-18 in respect of the Company are as follows :

Name of the related parties and description of relationship:

Nature of Relationship	Name of Entity	Acronym used
Ultimate Holding Company	Infrastructure Leasing & Financial Services Limited	IL&FS
Holding Company	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries of Holding Company (with whom there have been transactions during the period)	IL&FS Trust Company Limited	ITCL
	IL&FS Securities Services Limited	ISSL
	Elsamex India Pvt. Ltd	ELSAMEX
Enterprises having Significant Influence over EHEL	KMC Constructions Limited	KMC
	KMC Infratech Ltd.	KIL
Key Management personnel and Directors	Mr George Cherian	
	Mr.Mukund Sapre ( Resigned from 14 Jan 2015)	
	Mr.Rajeev Dubey	
	Mr. Rajesh Udupe	
	Mr. Vijay Kini	
	Mr.Goutam Mukherjee	
	Mr.Rupak Ghosh	
	Mr.Hiren Gor - Chief Financial Officer	
	Mr.Sreejith Narayanan - Additional Director (with effect from 21 Jan 2016)	
	Mr. Ramesh Babu - Manager (Resigned from 21 July 2015)	
	Mr. Sreelal . K- Manager (with effect from 22nd July 2015 till 21 Jan 2016)	
	Mr.D Sailu - Manager (with effect from 21 Jan 2016)	

Transactions / Balances with related parties as mentioned above

Account head	Name of Entity	As at March 31,2-16	As at March 31,2015
<b>Balances as at :</b>			
Trade Payables	ITNL	86,97,048	84,742
Short Term Borrowing	ITNL	63,36,24,545	7,50,00,000
Interest accrued on short term loan	ITNL	4,19,06,385	Nil
Equity share Capital	ITNL	21,68,94,000	21,68,94,000
Trade Payables	KMC	3,91,42,917	3,91,42,917
Retention payable against milestone payment & others	KMC	17,74,48,745	17,74,48,745
Equity share Capital	KMC	2,93,10,000	2,93,10,000
Mobilization advance recoverable	KMC	2,13,11,759	2,13,11,759
Expenses recoverable made on behalf related party	KMC	6,33,69,286	6,33,69,286
Equity share Capital	KIL	4,68,96,000	4,68,96,000

Transactions :	Name of Entity	For the year ended March 31, 2016	For the year ended March 31, 2015
Routine Maintenance Expenses	ITNL	2,85,95,273	2,71,95,420
Short term loan taken	ITNL	71,86,24,545	52,23,00,000
Short Term Loan repaid	ITNL	16,00,00,000	44,73,00,000
Interest on short term loan	ITNL	5,83,48,168	2,41,22,649
Deputation Staff	ITNL	9,56,208	9,38,052
Professional Fees	ISSL	17,775	17,454
Finance Charges - Security Trustee Fees	ITCL	1,13,727	1,12,360
Other Construction expenses	Elsamex	-	3,37,284
Director Sitting Fees	Mr George Cherian	90,000	40,000
Director Sitting Fees	Mr.Mukund Sapre	-	20,000
Director Sitting Fees	Mr.Rajeev Dubey	30,000	10,000
Director Sitting Fees	Mr. Rajesh Udupe	10,000	40,000
Director Sitting Fees	Mr. Vijay Kini	40,000	25,000
Director Sitting Fees	Mr.Goutam Mukherjee	90,000	5,000
Director Sitting Fees	Sreejith Narayanan	10,000	Nil
Director Sitting Fees	Mr.Rupak Ghosh	90,000	Nil

Footnotes:

1) Reimbursement of cost is not included above





## EAST HYDERABAD EXPRESSWAY LIMITED

### Notes to Financial Statements for the year ended March 31, 2016

#### Note 24: Directors' Remuneration

The Directors have been paid only sitting fees for the Board Meetings attended by them and not entitled to any remuneration from the Company.

#### Note 25: Segment Reporting

The Company is engaged in the business detailed in Note no 1 and thus operates in a single business segment. Also it operates in a single geographical segment. In the absence of separate reportable business or geographical segments, the disclosures required under Accounting Standard (AS)-17 on "Segment Reporting" specified by the Central Government are not applicable.

#### Note 26 :

The company has not taken any derivative instrument during the year and there is no derivative instrument outstanding as at the year end. Further, at the year end there is no outstanding foreign currency exposure in respect of receivables and payables.

#### Note 27 :

The account with EPC contractor, M/s KMC Construction Limited is under reconciliation and effect thereof will be recorded in the books as and when account is settled. The Company is holding Bank Guarantee of ₹ 6.26 Crs furnished by M/s KMC Construction Limited and also retention money of ₹ 177,448,745/-. Pending such reconciliation, the balance works of the project has been completed by the Company at additional cost and capitalized the same in the books of accounts.

#### Note 28:

During the year, the company has changed accounting policy for recognition of claim raised on the Authority and recognizing the same as Income of the Company as and when claim is filed with the concerned authority backed by confirmation from Independent legal and technical experts on the tenability and probability of acceptance of such claims and claim amount is measured reliably. Hitherto Income from Claim was recognized as and when received.

Consequent to the change in accounting policy, a sum of Rs. 33.30 Crore has been recognised as other income in the Statement of Profit and Loss. Had the Company followed the earlier method of recognition of claim income, Profit for the year ended March 31, 2016 would have been lower by Rs. 29 Crore & consequently reserves and surplus would have been lower by Rs.29 Crore.

#### Note 29:

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached.

For **Luthra & Luthra**  
Chartered Accountants

Firm Registration No : 002081N

**Akhilesh Gupta**  
Partner

Membership No. 89909  
Place: Mumbai  
Date: April 28, 2016



For and on behalf of the Board

Director

Director

Chief Financial Officer

Place: Mumbai  
Date: April 28, 2016

Company Secretary