



CHHAPRA – HAJIPUR EXPRESSWAYS LIMITED

**6TH
ANNUAL REPORT
2015- 2016**





MADE IN INDIA

CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED

BOARD OF DIRECTORS:

- | | | |
|--------------------------------|---|----------|
| 1. Srinivasa Rao Kamma | - | Director |
| 2. Ravi Kamma | - | Director |
| 3. Krishnarjun Rao Vemulapalli | - | Director |

AUDITORS

M/s M.K Dandekar & Co
Chartered Accountants
No 244 (Old No 138)
Angappa Naicken Street,
2nd Floor, Chennai-600 001

BANKERS

State Bank of India
Allahabad Bank
Andhra Bank
Punjab & Sind Bank
IndusInd Bank
State Bank of Bikaner and Jaipur

REGISTERED OFFICE

"Madhucon House",
Plot No.1129/A, Road No.36,
Jubilee Hills,
Hyderabad-500 033



NOTICE OF SIXTH ANNUAL GENERAL MEETING

To
The Members of
M/s. Chhapra-Hajipur Expressways Limited

NOTICE is hereby given that the **Sixth Annual General Meeting** of the Members of **M/s. Chhapra-Hajipur Expressways Limited (CIN: U45209TG2010PLC068742)** will be held on **Thursday, the 22nd September, 2016 at 12.00 P.M.** at the Registered office of the Company Situated at **Madhucon House, Plot No.1129/A, Road No.36, Jubilee Hills, Hyderabad-500 033** to transact the following business:

ORDINARY BUSINESS


1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2016, together with the report of the Board of Directors and the Auditors thereon.
2. Appointment of Auditors.

To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under **M/s M.K Dandeker & Co, Chartered Accountants, Plot No 244 (Old No 138), Angappa Naicken Street, 2nd Floor, Chennai-600 001 (Firm's Regn. No: 000679S)** be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this AGM, for a period of 5 Consecutive years until the conclusion of 11th AGM of the Company, subject to ratification of appointment by members at every AGM held after this AGM, be ratified by the Members at such remuneration as decided by the Board of Directors of the Company in consultation with the Auditors.

By Order of the Board
M/s. Chhapra-Hajipur Expressways Limited




Srinivasa Rao Kamma
Director & Chairperson
DIN: 00022855

Place: Hyderabad
Date: 27.05.2016

NOTE:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. Proxies in order to be effective must be received at the Registered Office of the Company at any time but not less than 48 hours before the commencement of the meeting. A proxy form is enclosed.
3. Corporate Members need to send their Authorized Representatives along with a copy of Board resolution authorizing them to participate in the meeting. And Authorized representative need not be a member of the company.





CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED
DIRECTOR'S REPORT

To
The Members of
M/s. Chhapra-Hajipur Expressways Limited.

Your Directors have pleasure in presenting their Sixth Annual Report together with Audited Financial Statement for the year ended 31st March, 2016.

1. EXTRACT OF ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92(3) of the Companies Act, 2013 ("the Act") read with Rule 12(1) of the Companies (Management and administration) Rules, 2014, in Form MGT-9 is furnished in Annexure-1 and is attached to this report.

2. FINANCIAL HIGHLIGHTS

Particulars	<u>2015-2016</u>	<u>2014-2015</u>
	Rs.	Rs.
Total Income	NIL	14,521
Total Expenses	3,19,642	16,51,947
Profit / Loss Before Tax	-3,19,642	-16,37,426
Tax	NIL	NIL
Profit / Loss After Tax	-3,19,642	-16,37,426

3. BOARD MEETINGS:

The Board met 9 (Nine) times during the financial year 2015-2016. The following are the dates of meeting convened in different Quarters of the financial year.

First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
Meeting No.	Date	Meeting No.	Date	Meeting No.	Date	Meeting No.	Date
50	02.04.2015	54	06.07.2015	56	05.10.2015	58	30.01.2016
51	21.05.2015	55	29.07.2015	57	30.12.2015		
52	23.05.2015						
53	22.06.2015						



4. PARTICULARS OF LOANS, INVESTMENTS, GUARANTEES AND SECURITIES

The Transactions of the Company During the year 2015-16 were within the compliances under Sec 180 and Sec 186 of the Companies Act 2013.

5. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134(3) (c) of the Companies Act, 2013, it is hereby Confirmed:

- I. That in the preparation of annual accounts for the financial year ended 31st March, 2016; the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- II. That the Directors have selected Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent; so as to give a true and fair view of the state of affairs of the Company, at the end of the financial year and of the profit or loss of the Company for that period.
- III. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- IV. That the Directors have prepared the annual accounts for the year ended 31st March 2016 on a "Going Concern" basis.
- V. That the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
- VI. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.



5A. ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Company has structured and implemented a process Driven framework for Internal Financial Controls ("IFC") in terms of the explanation to Section 134(5)(e) of the Companies Act, 2013. The Board of Directors of the Company is of the opinion that the Company has sound IFC for the year 2015-2016. The Company is continuously monitoring and identified the gaps if any, and implements improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

6. RELATED PARTY TRANSACTIONS:

Company has entered into contracts with related parties in ordinary course of business at arms-length price during the year 2015-16 and the details of related parties stated in Schedule 2.26 of notes to Financial Statements.

7. THE STATE OF COMPANY'S AFFAIRS

Chhapra-Hajipur Expressways Ltd is a Special Purpose Vehicle and subsidiary of Madhucon Infra Limited for execution and maintenance of Four Lanes of Chhapra Hajipur Section (KM 143.200 - KM 207.200) road project on NH-19 in the state of Bihar on Design, Built, Finance, Operate and Transfer (DBFOT) Annuity basis, on a concession period of 15 years.

8. DIVIDEND

During the year 2015-16 Company has not earned any profit and hence not recommended dividend.

9. INFORMATION AS PER SECTION 134 (3) (M) THE COMPANIES ACT, 2013 READ WITH RULE 8 OF COMPANIES (ACCOUNTS) RULES, 2014:

There was no applicable nor required information to be disclosed under this clause.

10. RISK MANAGEMENT POLICY

The Company has formulated a policy for Risk management and Periodic assessments to identify the risk areas are carried out by the management and necessary actions were taken to eliminate risk.



11. FORMAL ANNUAL EVALUATION:

The performance of Directors is evaluated by the Board (excluding the Director being evaluated) on the following criteria.

Evaluation Criteria:

- Contribution to development of strategy and risk management.
- Guidance on corporate strategy, risk policy, corporate governance practices.
- Independent and unbiased decisions/opinions etc.

12. DETAILS OF DIRECTORS APPOINTED AND RESIGNED DURING THE YEAR:

Sl. No.	Name of the Director	Appointed /Resigned	Date of appointment/ Cessation
1	Ravi Kamma	Appointed	02.04.2015
2	Nama Prithvi Teja	Resigned	02.04.2015
3	Krishnarjun Rao Vemulapalli	Appointed	30.12.2015
4	Nama Seethaiah	Resigned	30.12.2015

13. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company has adequate system of Internal Financial Control developed by our in-house Internal Audit team consisting of qualified and experienced accounting, costing and technical professionals. The Internal Audit Team suggests various means of cost reduction and cost control measures in all resources used in the Company. The Internal Financial Control Systems and the Reports of Internal Audit will be reviewed by the Audit Committee in consultation with the Internal Auditors and Statutory Auditors and experts in the field thereafter by Board of Directors.

14. VIGIL MECHANISM

The company has established Vigil Mechanism for Directors / Employees to report their genuine concerns or grievances. The Audit Committee of the Company oversees the vigil Mechanism through the Committee. It provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. It also provides for direct access to the Chairman of the Audit Committee. In case of repeated frivolous complaints, the suitable action will be initiated by the Chairman of the Audit Committee.



15. COMPOSITION OF AUDIT COMMITTEE

The Audit Committee was Re-constituted on 27.05.2016 consisting of Board members as follows:

1. Sri. Krishnarjun Rao Vemulapalli, Director as Chairman.
2. Sri.K.Srinivasa Rao, Director as Member,
3. Sri. Ravi Kamma, Director as Member

16. STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, **M/s M.K Dandekar & Co, Chartered Accountants, No 244 (Old No 138), Angappa Naicken Street, 2nd Floor, Chennai-600 001 (Firm's Regn. No: 0006795)**, were proposed by Board of Directors up on recommendation of Audit Committee to be Re-appointed as statutory auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the Eleventh Annual General Meeting to be held in the year 2021, subject to ratification of their appointment at every AGM. The auditors have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

17. TRANSFER TO RESERVES

No amount has been transferred to General Reserve Account due to the loss incurred by the Company for the financial year ended 31st March, 2016.

18. DEPOSITS

Your Directors report that the company has neither accepted nor renewed any deposits covered under Chapter V of the Act during the year under review.

19. CORPORATE SOCIAL RESPONSIBILITY

The Company does not fall under the criteria specified in Section 135 of the Act and hence no policy was developed by the company on Corporate Social Responsibility.



20. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013.

Your Company has always believed in providing a safe and harassment free workplace for every individual working in company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Your Directors further stated that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

21. ACKNOWLEDGEMENT:

Your Directors place on record their appreciation for the co-operation and assistance received from the Government Authorities, NHAI, Bankers and Clients during the period under review. Your Directors also extend their appreciation for the valuable work rendered by the employees for the development of the Company at various levels.

**For and on behalf of the Board of Directors
M/s. Chhapra-Hajipur Expressways Limited**

Place: Hyderabad
Date: 27.05.2016


Srinivasa Rao Kamma
Director & Chairperson
DIN: 00022855



ANNEXURE I

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2016

(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	U45209TG2010PLC068742
2. Registration Date	02.06.2010
3. Name of the Company	CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED
4. Category/Sub-category of the Company	Company Limited by Shares
5. Address of the Registered office & contact details	Madhucon House, 1129/A, Road No.36, Jubilee Hills, Hyderabad-500033, Telangana.
6. Whether listed company	No
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31- 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana-500 032.

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	Execution works of development of 4 laning of Chhapra – Hajipur Section of NH-19 from km. 143.200 to km.207.200 in the state of Bihar under NHDP Phase-III on Design, Build, Finance, Operate and Transfer (DBFOT) Annuity Basis	421	100%



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No	Name of the Company and CIN	Holding/ Subsidiary/ Associate	% of shares held
1	Madhucon Projects Limited (CIN: L74210TG1990PLC011114)	Ultimate Holding	0.16
2	Madhucon Infra Limited (U45200TG2006PLC049235)	Holding Company	54.23
3	Madhucon Toll Highways Limited (CIN:U93000TG2008PLC060479)	Fellow Subsidiary	45.58

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(i) Indian									
a) Individual/HUF	0	20000	20000	0.03	0	20000	20000	0.03	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	64163800	0	64163800	99.97	64163800	0	64163800	99.97	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	64163800	20000	64183800	100	64163800	20000	64183800	100	0
B. Public Shareholding									
1. Institutions									



a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0



Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	64163800	20000	64183800	100	64163800	20000	64183800	100	0

B. Shareholding of Promoters

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	Nama Seethaiah	8888	0.03	0	8888	0.03	0	0
2	Nama Ptithvi Teja	3888			3888			0
3	Kamma Ravi	888			888			0
4	Sri Sai Ram Nama	888			888			0
5	K Srinivasa Rao	3888			3888			0
6	M. Madhu	1560			1560			0
7	Madhucon Infra Limited	34807500	54.23	54.23	34807500	54.23	54.23	0
8	Madhucon Toll Highways Limited	29256300	45.58	0	29256300	45.58	0	0
9	Madhucon Projects Limited	100000	0.16	0	100000	0.16	0	0
	Total	64183800	100.00	54.23	64183800	100.00	54.23	0



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

SN	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
1	At the beginning of the year	64183800	100	64183800	100
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NA	NA	NA	NA
3	At the end of the year	64183800	100	64183800	100

D) Shareholding Pattern of top ten Shareholders:

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

There are no top ten shareholders who are Other than Directors, Promoters and Holders of GDRs and ADRs.

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	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
1.	Srinivasa Rao Kamma				
	At the beginning of the year	3888	0.0061	3888	0.0061
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	3888	0.0061	3888	0.0061
2.	Ravi Kamma				
	At the beginning of the year	888	0.0014	888	0.0014
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	888	0.0014	888	0.0014



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

-----The Details were stated in Schedule 2.3 of Notes to Financial Statements-----

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Disclosures under this head - NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There are no Penalties, Punishments and Compounding Levied/Prosecuted on any of the Directors, other officers and on Company during the year 2015-16. On the grounds that this heading is not applicable.

For and on behalf of the Board of Directors
M/s. Chhapra-Hajipur Expressways Limited

Place: Hyderabad
Date: 27.05.2016



Srinivasa Rao Kamma
Director & Chairperson
DIN: 00022855



RAKHI AGARWAL
Company Secretary

A-10, Janata Hsg. Society,
Shyam Lal Building,
Opp: Pantaloon, Begunpet,
Hyderabad - 500 016
Email: rakhiagarwal79@yahoo.com
Cell: +91 9246530679

DILIGENCE REPORT

To,
The Deputy General Manager,
State Bank of India
Project Finance SBU
1 & 2nd Floor, Voltas House
No.23, J N Heredia Marg
Ballard Estate, Mumbai- 400 001.
CC to: Consortium Member Banks

I/We have examined the registers, records, books and papers of **M/s.CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED(CIN-U45209AP2010PLC068742)** having its registered office at Plot No.1129/A, Road No.36, Jubilee Hills, Hyderabad - 500 033, as required to be maintained under the Companies Act, 2013 (the Act) and the rules made there under, the provisions of various statutes, wherever applicable, the provisions contained in the Memorandum and Articles of Association of the Company as may be applicable for the half year ended on 31.03.2016 in my/ our opinion and to the best of my/ our information and according to the examination carried out by me/ us and explanations furnished to me/ us by the Company, its officers and agents. I/ We report that in respect of the aforesaid period as under:

1. (a) The Management of the Company is carried out by the Board of Directors comprising of as listed in **Annexure -I** and the Board was duly constituted.

(b) During the period under review, changes took place in the Board of Directors of the Company.
2. (a) The Shareholding Pattern of the Company as on 31st March, 2016 was as detailed in **Annexure - II**.

(b) During the period under review there were no changes taken place in the Share Capital of the Company.
3. The Company has not altered any provisions of

(a) The Memorandum of Association during the period under review and has complied with the provisions of the Act, 2013 for this purpose.

Rakhi Agarwal



- (b) The Articles of Association during the period under review and has complied with the provisions of the Companies Act, 2013 for this purpose.
4. The Company has not entered into transactions with business entities u/s 184 of the Companies Act, 2013 in which Directors of the Company are interested.
 5. The Company has advanced loans, given guarantees and provide securities amounting to Rs. NIL to its Directors and/or persons or firms or Companies in which Directors were interested and has complied with Section 185 of the Companies Act, 2013.
 6. The amount borrowed by the Company from its directors, members, financial institutions and banks were within the borrowing limits of the Company. Such borrowings were made by the Company in compliance with applicable laws. The details have been given in the **Annexure-III**.
 7. The Company has defaulted in the payment of interest on the term loan due on 31.03.2016.
 8. During the period under the review the Company has not created a charge on the assets of the Company. The Particulars of Charges as on 31.03.2016 are annexed in **Annexure-IV**.
 9. Investments in wholly owned Subsidiaries and / or Joint Ventures abroad made by the Company - **NIL**.
 10. The Forex Exposure and Overseas Borrowings of the Company are **NIL**.
 11. The Company has issued and allotted the securities to the persons - entitled thereto and has also issued letters, coupons, warrants and certificates thereof as applicable to the concerned persons and also redeemed its preference shares / debentures and bought back its shares within the stipulated time in compliance with the provisions of the Companies Act, 2013 and other relevant statutes - **NIL**.
 12. During the period under review and as per the information provided by the Management, the Company has insured its assets including the secured assets.
 13. The Company has complied with the terms and conditions, set forth by the lending bank / financial institution at the time of availing any facility and also during the currency of the loan and has utilized the funds for the purpose for which these were borrowed.
 14. The Company has not declared and paid dividends to its shareholders as per the provisions of the Companies Act, 2013.
 15. The name of the Company and / or any of its Directors does not appear in the defaulters list of Reserve Bank of India / ECGC / wilful defaulters list etc.

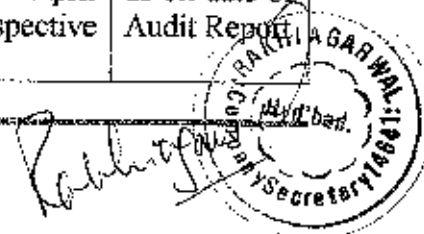


Rakhi Agarwal



16. The name of the Company and / or any of its directors does not appear in the specific Approvals List of Export Credit Guarantee Corporation.
17. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has not generally been regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities through the delays in deposit have not been serious. As on 31st March, 2016, following are undisputed statutory dues payable for a period of more than 6 months from the date they became payable:

Name of the statute	Nature of Dues	Amount (Rs.)	Period to which amount relates	Due Date	Date of payment
Income tax Act, 1961	Tax Deducted at Source	5,120,155	April 2015 to September 2015	7 th Day of subsequent month	5-Apr-2016
Building and other Constructions Worker's Welfare Cess Act, 1996	BOCW Cess	54,889,558	April 2013 to March 2014	30-Apr-14	Outstanding as on date of Audit Report
Building and other Constructions Worker's Welfare Cess Act, 1996	BOCW Cess	3,478,910	April 2014 to March 2015	30-Apr-15	Outstanding as on date of Audit Report
Bihar Value added tax	Work Contract Tax	7,706,710	April 2014 to March 2015	25 th Day of subsequent month	Outstanding as on date of Audit Report
Bihar Value added tax	Work Contract Tax	2,292,160	April 2015 to September 2016	25 th Day of subsequent month	Outstanding as on date of Audit Report
Employees Provident fund and Miscellaneous Act, 1952	Provident Fund	25,703	April 2015 to September 2016	20 th Day of subsequent month	Outstanding as on date of Audit Report
The Bihar Professional Tax	Professional Tax	5,124	April 2013 to September 2015	15 November and 15 April of respective year	Outstanding as on date of Audit Report



The Bihar Professional Tax	Professional Tax	1,248	April 2015 to September 2015	15 November, 2015	Outstanding as on date of Audit Report
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18. The funds borrowed from banks /financial institutions have been used by the Company for the purpose for which they were borrowed.
19. The Company has complied with the provisions stipulated in Section 186 of the Companies Act, 2013 in respect of its Inter Corporate loans and investments - **NIL**.
20. It has been observed from the reports of the Directors and the Auditors that the Company has complied with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India.
21. The Company has credited and paid to the Investor Education and Protection Fund within the stipulated time, all the unpaid dividends and other amounts required to be so credited - **Not Applicable**
22. Prosecutions initiated against or show cause notices received by the Company for alleged defaults / offences under various statutory provisions and also the fines and penalties imposed on the Company and/or any other action initiated against the Company and / or its directors in such cases are **NIL**.
23. The Company is not a listed Company; hence compliance of the provisions of the SEBI (LODR) Regulations, 2015 doesn't arise.

Place: Hyderabad

Date: 27.05.2016

RAKHI AGARWAL

COMPANY SECRETARY

FCS NO.7047

CP NO.6270



Annexure - I**Board of Directors as on 31.03.2016:**

Name	Designation	DIN	Residential Address
Sri KammaSrinivasa Rao	Director	00022855	1-7-70, Madhu Complex, Jubileepura, Khammam- 507002
Sri Ravi Kamma	Director	02985836	6-1-77 Vdos' Colony, Khammam -507002
Sri Krishnarjun Rao Vemulapalli	Director	07388694	4-23, Aswapuram, Khammam- 507116

Sri. Krishnarjun Rao Vemulapalli has appointed with effective from 30th December, 2015.

Annexure - II**Shareholding pattern of Chhapra-Hajipur Expressways Limited as on 31.03.2016:**

Name of the Subscriber	No. of shares of Rs.10/- each	Value in Rs.
Madhucon Infra Limited	3,48,07,500	34,80,75,000
Madhucon Toll Highways Limited	2,92,56,300	22,25,63,000
Madhucon Projects Limited	1,00,000	10,00,000
Nama Seethaiah	8,888	88,880
Nama Prithvi Teja	3,888	38,880
Kamma Ravi	888	8,880
Mareddy Veerayya	888	8,880
Kamma Srinivasa Rao	3,888	38,880
Mallampati Madhu	1,560	15,600
Total	6,41,83,800	64,18,38,000



Annexure - III**Statement of Term Loan Balance as on 31.03.2016****(Rupees in Crores)**

SLNo.	Bank Name	Balance Outstanding as on 31.03.2016
1	Allahabad Bank	998847367
2	Punjab & Sind Bank	800030000
3	SBBJ Bank	700000000
4	Indus Ind Bank	800000000
5	Andhra Bank	850000000
6	State Bank of India	1700000000
Additional Term Loans Taken during the year		
7	Allahabad bank	49100000
8	P& SB	19085000
9	IndusInd Bank	22100000
Total		5,93,91,62,367

Annexure -IV**Details of Charges as on 31.03.2016**

S.No	Name of the Bank	Date of Charge			Amount (in Rs.)	Charge ID
		Creation Satisfaction	Modification			
1	SBICAP Trustee Company Limited 202, Maker Tower, 'E', Cuffe Parade,, Colaba,, Mumbai,	17.02.2011	29/04/2016	-	75,69,90,00,00.0	10271796

Handwritten signature

RAKHI AGARWAL
Hyd'bad.
Secretary



M.K. DANDEKER & CO.,

Chartered Accountants

Phone : +91-44-43514233
E-mail : dandeker@vsnl.com
dandeker@eth.net

No.7, 3rd Floor,
Wellington Estate,
No.53, Ethiraj Salai, Egmore,
CHENNAI - 600 008.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHHAPRA - HAJIPUR EXPRESSWAYS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Chhapra - Hajipur Expressways Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 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 standalone 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



Page 1 of 6

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Phone : +91- 44 - 25222100 Fax : +91- 44 - 25220721

Branches : BANGALORE, HYDERABAD, MUMBAI

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 standalone financial statements.

Opinion

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

Other Matter:

Without qualifying our opinion, we draw attention that there has been a delay in the completion of the project by the Company. However, National Highways Authority of India vide its letter dated April 30, 2016 has recommended an extension in the Scheduled completion date from the actual date of July 24, 2013 to April 21, 2017. Accordingly, in our opinion such this extension indicates the existence of a certainty regarding the Company's ability to continue as a going concern.

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 Act, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the order.
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 account.
 - (d) In our opinion, the aforesaid standalone 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 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.



- (f) According to the information and explanation given to us, the Company is in the process of establishing its internal financial control over financial reporting on criteria based on or 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.
- (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:
- The Company does not have any pending litigations which would impact its financial position.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Date: May 27, 2016

Place: Hyderabad



For M.K.Dandekar & Co.,
(ICAI Reg No 0006795)

S. Poosaidurai

Partner

Chartered Accountants

Membership No 223754



ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in our Report of even date)

1. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
b. The Fixed Assets have been physically verified by the Management at regular intervals and no material discrepancies were noticed on such verification.
c. The title deeds of immovable properties are held in the name of the Company.
2. The Company is engaged in the business of infrastructure development and maintenance and hence clause 3 (ii) of the Companies (Auditor's Report) Order 2016 relating to inventory is not applicable.
3. The Company has given advances to parties covered in the register maintained under section 189 of the Companies Act, 2013 towards execution of ongoing Engineering, Procurement Construction (EPC) works.
4. According to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 are complied with in respect of loans, investments, guarantees and securities given by the Company, if any.
5. The Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.
6. The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company.
7. a. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has *not generally been 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 with the appropriate authorities though the delays in deposit have not been serious.*



As at 31 March 2016, following are the undisputed statutory dues payable for a period of more than 6 months from the date they became payable:

Statutory Provision	Particulars	Amount	Period	Due Date	Date of Payment
Income Tax Act, 1961	Tax Deducted at Source	5,120,155	April 2015 to September 2015	7th day of subsequent month	5-Apr-16
Building and Other Construction Workers' Welfare Cess Act, 1996	BOCW Cess	54,889,558	April 2013 to March 2014	30-Apr-14	Outstanding as on date of Audit Report
Building and Other Construction Workers' Welfare Cess Act, 1996	BOCW Cess	3,478,910	April 2014 to March 2015	30-Apr-15	Outstanding as on date of Audit Report
Bihar Value Added Tax	Work Contract Tax	7,706,710	April 2014 to March 2015	25th day of subsequent month	Outstanding as on date of Audit Report
Bihar Value Added Tax	Work Contract Tax	2,292,160	April 2015 to September 2016	25th day of subsequent month	Outstanding as on date of Audit Report
Employees' Provident Fund and Miscellaneous Act, 1952	Provident Fund	25,703	August 2015 to September 2015	20th day of subsequent month	Outstanding as on date of Audit Report
The Bihar Professional Tax Act	Professional Tax	5,124	April 2013 to March 2015	15 November and 15 April of respective year	Outstanding as on date of Audit Report
The Bihar Professional Tax Act	Professional Tax	1,248	April 2015 to September 2015	15-Nov-15	Outstanding as on date of Audit Report

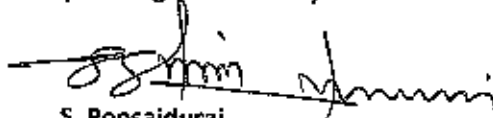


- b. According to the information and explanation given to us, the Company has no statutory dues which have not been deposited on account of disputes.
8. The Company has defaulted in repayment of Interest to banks during the year.
9. The money raised by way of term loans were applied for the purpose for which those are raised.
10. Based on the information and explanation given to us, no material 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 given to us and based on our examination of the records of the Company, the Company has not paid or provided for managerial remuneration in the current year. Hence, reporting under clause 3 (xi) of the Order does not arise.
12. The Company is not a Nidhi Company and hence clause 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, prior approval for transactions with related parties has not been obtained as required under sections 177 and 188 of the Companies Act 2013. However, details of such transactions have been adequately disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given 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 any non-cash transactions with directors or persons connected with him. Accordingly, clause 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.

Date: May 27, 2016

Place: Hyderabad

For M.K.Dandekar & Co.,
(ICAI Reg No 0006795)



S. Ponsaidurai

Partner

Chartered Accountants

Membership No 223754



CHHAPRA - HAJIPUR EXPRESSWAYS LIMITED

Balance Sheet as at 31 Mar 2016

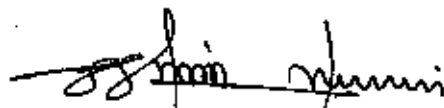
(All amounts are in Indian rupees, except for shares data and where otherwise stated)

Particulars	Note	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	64,18,38,000	64,18,38,000
Reserves and surplus	2.2	(92,10,323)	(88,90,681)
Non-Current Liabilities			
Long-term borrowings	2.3	8,01,56,72,517	7,18,98,10,150
Other Long Term Liabilities	2.4	17,17,06,046	16,52,20,919
Long term provisions	2.5	86,113	78,181
Current liabilities			
Trade Payables	2.6		
Total outstanding dues of Micro and Small Enterprises	2.25		
Total outstanding dues of creditors other than Micro and Small Enterprises		4,32,733	4,32,733
Other current liabilities	2.7	27,67,40,486	22,48,07,523
Short term Provisions	2.8	25,756	12,855
		9,09,72,91,328	8,21,33,09,680
ASSETS			
Non current assets			
Fixed assets			
- Tangible assets	2.9 A	18,14,973	18,32,450
- Intangible asset	2.9 B	5,088	9,850
- Intangible asset under development	2.9 C	8,77,19,87,026	7,84,36,22,302
Long term Loans and advances	2.10	17,51,30,871	20,91,07,861
		8,94,89,37,959	8,05,45,72,463
Current assets			
Cash and Cash Equivalents	2.11	8,68,37,235	1,51,99,306
Short Term Loans and Advances	2.12	6,02,21,471	14,22,43,248
Other current assets	2.13	12,94,663	12,94,663
		14,83,53,369	15,87,37,217
		9,09,72,91,328	8,21,33,09,680

Significant accounting policies & Notes to accounts 1 & 2

As per our report of even date attached

for **M.K. DANDEKER & CO.**
Chartered Accountants
Firm's registration no. 0006795
By the hand of



S. POOSAIDURAI
Partner
Membership No. 223754

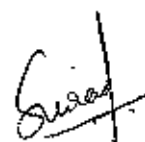
Place: Hyderabad
Date: 27-05-2016



**FOR & ON BEHALF OF THE BOARD
of CHHAPRA- HAJIPUR EXPRESSWAYS LIMITED**



K.SRINIVASA RAO
Director
Din - 00022855
Place: Hyderabad
Date : 27-05-2016




K.RAVI
Director
Din - 02985836

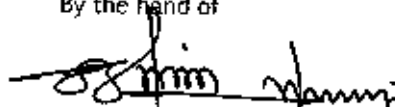
CHHAPRA - HAJIPUR EXPRESSWAYS LIMITED
Statement of Profit and Loss for the year ended 31 March 2016
(All amounts are in Indian rupees, except for shares data and where otherwise stated)

Particulars	Note	For the year ended 31st March 2016	For the year ended 31st March 2015
Revenue			
Other Income	2.14	-	14,521
Total Revenue		-	14,521
Expenses			
Employee Benefit Expense	2.15	-	2,00,000
Finance costs	2.16	11,743	9,50,855
Other expenses	2.17	3,07,899	5,01,092
Total expenses		3,19,642	16,51,947
Profit / (Loss) before tax		(3,19,642)	(16,37,426)
Tax expense			
Current tax		-	-
Deferred Tax		-	-
Profit / (Loss) for the year		(3,19,642)	(16,37,426)
Earning per equity share			
Basic & Diluted	2.19	(0.00)	(0.03)

Significant accounting policies & Notes to accounts 1 & 2
Contingent liabilities and commitments 2.18

As per our report of even date attached

for **M.K. DANDEKER & CO.**
Chartered Accountants
Firm's registration no. 000679S
By the hand of

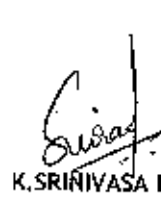




S. POOSAIDURAI
Partner
Membership No. 223754

Place: Hyderabad
Date: 27-05-2016



FOR & ON BEHALF OF THE BOARD
of CHHAPRA - HAJIPUR EXPRESSWAYS LIMITED

K. SRINIVASA RAO
Director
Din - 00022855

K. RAVI
Director
Din - 02985836

Place: Hyderabad
Date : 27-05-2016

CHHAPRA - HAJIPUR EXPRESSWAYS LIMITED

Cash flow statement for the year ended 31 st March 2016

(All amounts are in Indian rupees, except for shares data and where otherwise stated)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
A. Cash flow from Operating Activities:		
Net profit/loss before tax for the year	(3,19,642)	(16,37,426)
Depreciation	22,238	56,220
Cash flow before working capital changes	(2,97,404)	(15,81,206)
Changes in other accounts affecting operations:		
(Increase)/decrease in short term loans and advances	8,20,21,777	23,77,467
(Increase)/decrease in other current assets	-	2,68,386
(Increase)/decrease in long term loans and advances	3,39,76,990	6,95,78,226
Increase/(decrease) in other long term liabilities	61,85,127	1,73,94,556
Increase/(decrease) in long term Provisions	7,932	(51,743)
Increase/(decrease) in other current liabilities	5,19,32,963	4,63,33,885
Increase/(decrease) in Short term Provisions	12,901	(42,275)
Net Cash generated/(used) from Operating Activities	17,41,40,286	13,42,77,296
B. Cash flow from Investing Activities:		
Purchase of Fixed Assets		
Addition to tangible asset		(15,100)
Addition to Intangible asset under development	(92,83,64,724)	(1,07,14,51,759)
Net Cash used in Investing Activities	(92,83,64,724)	(1,07,14,56,859)
C. Cash flow from Financing Activities:		
Proceeds from Secured Loans	35,91,62,367	71,00,00,000
Proceeds from Unsecured Loans	46,67,00,000	20,98,10,150
Net Cash from Financing Activities	82,58,62,367	94,98,10,150
Increase/(Decrease) in cash and cash equivalents(A+B+C)	7,16,37,929	1,26,20,587
Add: Cash and cash equivalents at the beginning of the year	1,51,99,306	25,78,719
Cash and cash equivalents at the end of the year	8,68,37,235	1,51,99,306

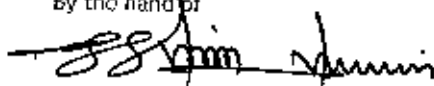
- Cash Flow statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 "Cash Flow Statement".
- Cash and cash equivalents represent cash and bank balances. The components are as follows:

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Cash on hand	57,619	42,365
Balances with Banks in Current Accounts	8,67,79,616	1,51,56,941
TOTAL	8,68,37,235	1,51,99,306

- Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report of even date attached

for **M.K. DANDEKER & CO.**
Chartered Accountants
Firm's registration no. 0006795
By the hand of




S. POOSAIDURAI
Partner
Membership No. 223754


Place: Hyderabad
Date: 27-05-2016



FOR & ON BEHALF OF THE BOARD
of CHHAPRA- HAJIPUR EXPRESSWAYS LIMITED


K. SRINIVASA RAO
Director
Din - 00022855
Place: Hyderabad
Date: 27-05-2016




K. RAVI
Director
Din - 02985836

CHHAPRA - HAJIPUR EXPRESSWAYS LIMITED
Notes forming part of Financial Statements

1. Significant Accounting Policies:

a. Basis of Preparation

The Company maintains its accounts on accrual basis following the historical cost convention, except for the revaluation of certain fixed assets, in accordance with generally accepted accounting principles ["GAAP"] in compliance with the provisions of the Companies Act, 2013 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of The Companies (Accounts) Rules, 2014 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and relevant provisions of the Companies Act, 1956 read with the Circular No.07/2014 dated April 1, 2014 of the Ministry of Corporate Affairs. Further, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations overrides the same requiring a different treatment.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of tangible and intangible fixed assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

b. Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) 3 "Cash Flow Statements". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

Amounts in the financial statements are presented in Indian Rupees rounded off to the nearest Rupee. Per share data is presented in Indian Rupees to two decimals places.

c. Revenue Recognition

- i. Annuity income is accounted for as and when the amount is due and recovery of which is certain.



CHHAPRA - HAJIPUR EXPRESSWAYS LIMITED
Notes forming part of Financial Statements

- ii. Interest Income is recognized on time proportion basis taking into account the amount outstanding and applicable interest rate.
- iii. Other items of income are accounted as and when the right to receive arises.
- iv. Dividend Income is recognized when the right to receive is established.

d. Employee Benefits

(i) Short Term Employee Benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

Post-Employment Benefits

- a) **Defined Contribution Plans:** The Company's obligation to employee's provident fund is a defined contribution plan. The contribution paid/payable is recognized in the period in which the employee renders the related service.
- b) **Defined Benefit Plans:** The Company's obligation towards gratuity is a defined benefit plan. The present value of the obligation under such Defined Benefit Plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognized in the Statement of Profit and loss.

(i) Long Term Employee Benefits

The obligation for long term employee benefits such as long term compensated absences is recognized in the same manner as in the case of defined benefit plans as mentioned in (ii) (b) above.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognized immediately in the statement of profit and loss.



CHHAPRA - HAJIPUR EXPRESSWAYS LIMITED
Notes forming part of Financial Statements

e. Grant from NHAI

NHAI grants available to the Company is considered:

- (a) Where there is reasonable assurance that the Company will comply with the conditions attached to them; and
 - (b) Where such benefits have been earned by the Company and it is reasonably certain that the ultimate collection will be made
- (i) Where the government grants are of the nature of promoters' contributions, i.e., they are given with reference to the total investment in an undertaking or by way of contribution towards its total capital outlay (for example, central investment subsidy scheme) and no repayment is ordinarily expected in respect thereof, the grants are treated as capital reserve which can be neither distributed as dividend nor considered as deferred income.
- (ii) Grant received from NHAI during the Operation and Maintenance Period are treated as Revenue Grants as per AS-12 and accordingly credited to Statement of Profit and Loss on accrual basis.

f. Fixed Assets

Tangible Assets

Fixed assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment.

Administrative and other general overhead expenses that are specifically attributable to the construction or acquisition of fixed assets, for bringing the fixed asset to working condition are allocated and capitalised as a part of cost of fixed asset.

Intangible Assets

Intangible assets are recognised when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment.

Administrative and other general overhead expenses that are directly attributable to development or acquisition of intangible assets are allocated and capitalized as part of cost of the intangible assets.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible Assets under Development".



CHHAPRA - HAJIPUR EXPRESSWAYS LIMITED
Notes forming part of Financial Statements

Carriageway representing Toll collection rights are obtained in consideration for rendering construction, operation and maintenance services in relation to building and maintenance of the project on Build, Operate and Transfer basis. The cost of such carriageway comprises of construction cost and other pre-operative costs incurred during the construction phase. Administrative and other general overhead expenses net of income from temporary investments, incurred upto the date of commencement of commercial operations that are specifically attributable to the construction/acquisition of the Intangible assets is allocated and capitalized as part of cost of the asset.

Such carriageway on completion are capitalised as Intangible asset and are amortised by taking proportionate of actual revenue earned for the period/year over the Projected Revenue from the Intangible assets expected to be earned over the balance concession period.

g. Depreciation and Amortisation

Depreciation

Depreciation on assets has been provided on straight-line basis based on the life of asset as specified in the Schedule II of the Companies Act, 2013. Depreciation on additions/ deductions is calculated pro-rata from/ to the month of additions/ deductions. For assets that are transferred/sold within the group, depreciation is calculated up to the month preceding the month of transfer/sale within the group. The following asset categories have useful lives different from the life specified in Schedule II of the Companies Act, 2013.

Category of Asset	Useful life (years)
Office equipment's	
- Mobile phones	3
Computers Software	5

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Amortisation

Carriageway representing entitlement to receive Annuity from NHAI on completion is capitalized as Intangible Asset and is amortized over the period of entitlement given under the Concession Agreement as they represent entitlement to receive Annuity from NHAI during the concession period.

Specialised software is amortised over a period of three years on straight line basis from the month in which the addition is made.

Amortisation on impaired assets is provided by adjusting the amortisation charges in the remaining periods so as to allocate the assets' revised carrying amount over its remaining useful life.



CHHAPRA - HAJIPUR EXPRESSWAYS LIMITED
Notes forming part of Financial Statements

h. Leases

Operating

Assets acquired on leases where a significant portion of risks and rewards of ownership are retained by the lesser are classified as operating leases. Lease rentals are charged to Statement of Profit and Loss on accrual basis.

Assets leased out under operating leases are capitalised. Rental income is recognized over the lease term.

Finance

Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount

i. Impairment of Assets:

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- i. The provision for impairment loss, if any required; or
- ii. The reversal, if any, required of impairment loss recognized in previous period.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- (i) In the case of an individual assets, at the higher of the net selling price and the value in use;
- (ii) In the cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's net selling price and the value in use;

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life).



CHHAPRA - HAJIPUR EXPRESSWAYS LIMITED
Notes forming part of Financial Statements

j. Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the Financial Statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k. Cash and Cash Equivalents

Cash and cash equivalents also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being not free from more than insignificant risk of change are not included as part of cash and cash equivalents.

l. Borrowing costs

Borrowing costs include interest, commitment charges, amortization of ancillary costs, amortization of discounts / premium related to borrowings, finance charges in respect of finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest cost.

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized / inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.



CHHAPRA - HAJIPUR EXPRESSWAYS LIMITED
Notes forming part of Financial Statements

In compliance of AS-16 "Borrowing Cost", income earned on temporary investments, out of funds borrowed which are intermittently surplus but inextricably linked with the project, is deducted from the related borrowing costs incurred.

m. Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961 and based on the expected outcome of assessments/appeals.

Deferred tax is recognized on timing differences between the accounting income accounted in financial statements and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax asset relating to unabsorbed depreciation/business losses and losses under the head "capital gains" are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

Other deferred tax asset are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

n. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a) the Company has a present obligation as a result of a past event.
- b) a probable outflow of resources is expected to settle the obligation, and
- c) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in the case of:

- a) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation
- b) A possible obligation when no reliable estimate is possible and
- c) A possible obligation arising from a past event unless the probability of outflow of resources is remote



CHHAPRA - HAJIPUR EXPRESSWAYS LIMITED
Notes forming part of Financial Statements

Contingent Assets are neither recognized, nor disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance sheet date.

o. Operating cycle

Operating cycle for the business activities of the company is taken as twelve months.

p. Cash flow Statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under indirect method, the net profit is adjusted for the effects of:

- i) Transactions of non-cash nature.
- ii) Any deferrals or accruals of past or future operating cash receipts or payments, and
- iii) Items of income or expense associated with investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on date of balance sheet are also included under this category with a specific disclosure.

q. Commitments

Commitments are future liabilities for contractual expenditure. They are classified and disclosed as follows:

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for;
- b) Uncalled liability on shares and other investments partly paid;
- c) Funding related commitment to subsidiary, associate and joint venture companies; and
- d) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the management.

Other commitments related to sales / procurements made in the normal course of business are not disclosed to avoid excessive details.

r. Claims

- i) Claims against the company are accounted for as and when accepted.
- ii) Claims by the company are recognised and accounted for as and when received



CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED

2. Notes to Financial Statements for the year ended 31 st March 2016(continued)

(All amounts are in Indian rupees, except for shares data and where otherwise stated)

2.1 Share Capital

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number	Rs.	Number	Rs.
Authorised				
Equity shares at Rs.10 par value	7,00,00,000	70,00,00,000	7,00,00,000	70,00,00,000
	7,00,00,000	70,00,00,000	7,00,00,000	70,00,00,000
Issued, Subscribed and fully Paid up				
Equity shares at Rs.10 par value	6,41,83,800	64,18,38,000	6,41,83,800	64,18,38,000
	6,41,83,800	64,18,38,000	6,41,83,800	64,18,38,000

2.1.a. The reconciliation of the number of equity shares outstanding is given below:

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	6,41,83,800	64,18,38,000	6,41,83,800	64,18,38,000
Shares issued during the year				
Shares outstanding at the end of the year	6,41,83,800	64,18,38,000	6,41,83,800	64,18,38,000

2.1.b. Terms/ Rights attached to 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. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. During this year no dividend is declared by Board of Directors.

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 preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.

2.1.c. Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate:

Name of Shareholder	Relationship	As at 31 March 2016		As at 31 March 2015	
		No. of Shares held	Amount	No. of Shares held	Amount
Madhucon Projects Limited	Ultimate Holding Company	1,00,000	10,00,000	1,00,000	10,00,000
Madhucon Infra Limited	Holding Company	3,48,07,500	34,80,75,000	3,48,07,500	34,80,75,000
Madhucon Toll Highways Limited	Fellow Subsidiary	2,92,56,300	29,25,63,000	2,92,56,300	29,25,63,000

2.1.d. The details of shareholder holding more than 5% equity shares is given below:

Name of Shareholder	Relationship	As at 31 March 2016		As at 31 March 2015	
		No. of Shares	% of Holding	No. of Shares	% of Holding
Madhucon Infra Limited	Holding Company	3,48,07,500	54.23	3,48,07,500	54.23
Madhucon Toll Highways Limited	Fellow Subsidiary	2,92,56,300	45.58	2,92,56,300	45.58

2.1.e. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

2.1.f. The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.

2.1.g. Calls unpaid : NIL; Forfeited Shares : NIL



CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED
2. Notes to Financial Statements for the year ended 31 st March 2016(continued)

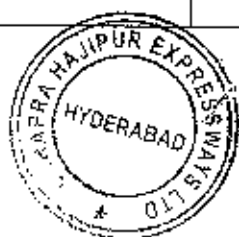
(All amounts are in Indian rupees, except for shares data and where otherwise stated)

2.2 Reserves and Surplus

Particulars	As at 31 March 2016	As at 31 March 2015
Surplus / (deficit) in the Statement of Profit and Loss		
Opening Balance	(88,90,681)	(72,53,255)
Add: Profit/ (Loss) for the year	(3,19,642)	(16,37,426)
	(92,10,323)	(88,90,681)

2.3 Long term borrowings

Particulars	As at 31 March 2016	As at 31 March 2015
Secured		
Term loans from Banks		
Term loan - Allahabad Bank	99,88,47,367	95,38,00,000
Term loan - Punjab & Sind Bank	80,00,30,000	76,31,00,000
Term loan - State Bank of Bikaner and Jaipur	70,00,00,000	66,77,00,000
Term loan - IndusInd Bank	80,00,00,000	76,31,00,000
Term loan - Andhra Bank	85,00,00,000	81,08,00,000
Term loan - State Bank of India	1,70,00,00,000	1,62,15,00,000
Additional term loan - Allahabad Bank	4,91,00,000	-
Additional term loan - P & S B	1,90,85,000	-
Additional term loan - Indusind Bank	2,21,00,000	-
	5,93,91,62,367	5,58,00,00,000
Terms of Repayment : (Refer Note 2.21)		
Terms of Security : (Refer Note 2.22)		
Unsecured		
Loans and advances from related parties		
Madhucon Infra Limited	1,41,99,10,150	1,32,48,10,150
Madhucon Toll Highways Limited	49,50,00,000	28,50,00,000
Madhucon Projects Limited	16,16,00,000	-
Terms of Repayment : (Refer Note 2.23)		
	2,07,65,10,150	1,60,98,10,150
	8,01,56,72,517	7,18,98,10,150
2.4 Other Long Term Liabilities		
Particulars	As at 31 March 2016	As at 31 March 2015
Retention Money Payable -Madhucon Projects Limited	17,17,06,046	16,52,20,919
	17,17,06,046	16,52,20,919
2.5 Long Term provisions		
Particulars	As at 31 March 2016	As at 31 March 2015
Provision for Gratuity	76,135	69,087
Provision for Leave encashment	9,978	9,094
	86,113	78,181



CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED

2. Notes to Financial Statements for the year ended 31 st March 2016(continued)

(All amounts are in Indian rupees, except for shares data and where otherwise stated)

2.6 Trade Payables

Particulars	As at 31 March 2016	As at 31 March 2015
Trade Payables		
Due to Related parties		
- Madhucon Project Limited	4,32,733	4,32,733
Due to Creditors other than Micro and Small Enterprises		
	4,32,733	4,32,733

2.7 Other current liabilities

Particulars	As at 31 March 2016	As at 31 March 2015
Interest accrued and due on borrowings	16,84,93,089	12,77,89,662
Salary payable	5,31,174	4,59,764
Bonus payable	1,99,450	1,39,575
Outstanding liabilities		
- Related Parties	1,01,40,982	68,47,241
- Others	2,12,24,881	2,02,20,993
Statutory Liabilities	7,61,50,910	6,93,50,288
	27,67,40,486	22,48,07,523

2.8 Short term Provisions

Particulars	As at 31 March 2016	As at 31 March 2015
Provision for Gratuity	11,314	10,239
Provision for Leave encashment	14,442	2,616
	25,756	12,855



CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED

2. Notes to Financial Statements for the year ended 31 st March 2016 (continued)
(All amounts are in Indian rupees, except for shares data and where otherwise stated)

2.9- Fixed assets

	Gross Block			Accumulated Depreciation			Net block	
	As at 1 April 2016	Additions	Disposals	As at 31 March 2016	As at 1 April 2015	Depreciation / Amortisation charge for the Period From 01.04.15 to 31.03.16	As at 31 March 2016	As at 31 March 2015
Fixed Assets								
2.9 A - Tangible Assets								
Land	17,94,700	-	-	17,94,700	-	-	17,94,700	17,94,700
Computer	87,675	-	-	87,675	70,495	8,069	9,111	17,180
Furniture & Fixtures	21,743	-	-	21,743	11,557	4,360	5,826	10,186
Office Equipment	15,100	-	-	15,100	4,716	5,047	5,337	10,384
Total	19,19,218			19,19,218	86,768	17,476	18,14,973	18,32,450
Previous Year	19,04,118	15,100	-	19,19,218	35,297	51,471	18,32,450	18,68,821
2.9 B - Intangible Asset								
Computer Software	23,745	-	-	23,745	13,895	4,762	5,088	9,850
Total	23,745			23,745	13,895	4,762	5,088	9,850
Previous Year	23,745	-	-	23,745	9,146	4,749	9,850	14,599
2.9 C - Intangible Asset Under Development								
Carriageway (Refer to Note 2.9 D)	7,84,36,22,302	92,83,64,724	-	8,77,19,87,026	-	-	8,77,19,87,026	7,84,36,22,302
Total	7,84,36,22,302	92,83,64,724		8,77,19,87,026			8,77,19,87,026	7,84,36,22,302
Previous Year	6,77,21,70,543	1,07,14,51,759	-	7,84,36,22,302	-	-	7,84,36,22,302	6,77,21,70,543



CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED

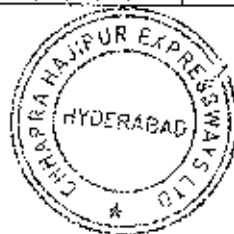
2. Notes to Financial Statements for the year ended 31 st March 2016(continued)

2.9 D. Intangible Assets Under Development - Carriageway

DESCRIPTION	As at 31 March 2015	Transactions during the year Apr-15 to March-16	As at 31 March 2016
	Amount in Rs		
Pre-Operative Expenditure			
CPC Cost			
Road Work Expenses	5,83,68,46,858	12,97,02,548	5,96,65,49,406
Sub Total	5,83,68,46,858	12,97,02,548	5,96,65,49,406
Interest on Long term Borrowings			
Interest on Term Loan - IndusInd	24,34,37,380	9,40,14,666	33,74,52,046
Interest on Term Loan - Allahabad Bank	31,16,15,144	13,15,34,492	44,31,49,636
Interest on Term Loan - Andhra Bank	26,56,00,756	10,17,33,071	36,73,33,827
Interest on Term Loan - P & SB	25,18,77,268	11,00,71,234	36,19,48,502
Interest on Term Loan - SBBJ	22,24,15,715	9,58,64,487	31,82,80,202
Interest on Term Loan - SBI	53,79,22,105	22,92,47,126	76,71,69,231
Interest on Addl Term Loan - Allahabad Bank	-	13,54,657	13,54,657
Interest on Addl Term Loan - P & SB	-	5,35,082	5,35,082
Interest on Addl Term Loan - IndusInd	-	4,03,373	4,03,373
Sub Total	1,83,28,68,368	76,47,58,188	2,59,76,26,556
Other Borrowing costs			
BG Commission	7,56,131	-	7,56,131
Lender Independent Engineer Charges	45,72,405	14,76,460	60,48,865
Security Trustee Fee	14,63,655	3,18,435	17,82,090
Lenders And TRA Agent Fees	1,17,57,900	28,09,000	1,45,66,900
Lender Insurance Advisory Services	1,48,905	-	1,48,905
Lender Legal Counsel Charges	17,50,149	8,01,500	25,51,649
Mortgage Charges	10,00,300	-	10,00,300
Inspection Charges	-	6,964	6,964
Debt Syndication Fees	1,95,33,965	-	1,95,33,965
Appraisal Fee - SBI	-	27,50,000	27,50,000
Upfront Fees - Allahabad Bank	22,06,000	7,34,750	29,40,750
Upfront Fees - Andhra Bank	18,75,100	-	18,75,100
Upfront Fees - IndusInd Bank	17,64,800	-	17,64,800
Upfront Fees - Punjab & Sind Bank	17,64,800	6,73,260	24,38,060
Upfront Fees - SBI	46,87,750	25,65,000	72,52,750
Upfront Fees - State Bank Of Bikaner & Jaipur	15,44,200	-	15,44,200
Lender Meet Expenses	9,85,152	3,25,451	13,10,603
Bank Charges	2,51,491	1,10,028	3,61,519
Processing Fees	1,00,000	16,662	1,16,662
Postpayment Charges - COD & Repayment of Loan	2,48,777	-	2,48,777
Sub Total	5,64,11,480	1,25,87,510	6,89,98,990
Consultancy Charges			
Certification Fee	1,93,166	54,550	2,47,716
Consultancy Charges	6,37,616	2,500	6,40,116
Supervision Consultancy Charges	3,11,73,302	-	3,11,73,302
Independent Consultant Charges	3,63,53,760	49,87,894	4,13,41,654
Professional Charges	5,50,026	3,27,829	8,77,855
Sub Total	6,89,07,870	53,72,773	7,42,80,643



DESCRIPTION	As at 31 March 2015	Transactions during the year Apr-15 to March-16	As at 31 March 2016
	Amount in Rs		
Personnel costs			
Salaries	1,24,63,558	26,66,284	1,51,29,842
Employer PF Contribution	3,83,552	86,532	4,70,084
Staff Welfare Exp - Site	1,88,099	-	1,88,099
Mess Charges Site	2,52,228	9,047	2,61,275
Gratuity			
Current Service Cost	1,66,894	21,473	1,88,367
Less: Actuarial gain	87,568	13,350	1,00,918
Net Gratuity Expense	79,326	8,123	87,449
Leave Encashment			
Current Service Cost	68,934	4,725	73,659
Less: Actuarial gain	44,808	-	44,808
Add: Actuarial Loss	-	7,985	-
Net Leave Encashment Expense	11,710	12,710	24,420
Sub Total	1,33,78,473	27,82,696	1,61,61,169
Depreciation and Amortisation Expenses			
Depreciation	86,767	17,478	1,04,245
Amortisation	13,895	4,760	18,655
Sub Total	1,00,662	22,238	1,22,900
Other Expenses			
ROB - Supervision Charges	2,89,60,159	-	2,89,60,159
Internet Charges	39,474	-	39,474
Rent	10,04,505	5,35,333	15,39,838
Legal Charges	25,653	10,900	36,553
Concession Fees	5	1	6
Conveyance Expenses	3,21,359	18,957	3,40,316
Depository Service Charges	40,449	13,483	53,932
Repairs & Maintenance	1,21,016	2,890	1,23,906
Franking Charges	2,03,040	-	2,03,040
Telephone & Telex	1,63,193	23,003	1,86,196
Electricity Charges	3,51,203	-	3,51,203
Postage & Telegram	12,502	-	12,502
R&M - Vehicles	19,171	-	19,171
Printing And Stationery	2,12,893	21,992	2,34,885
Insurance Charges	2,90,12,388	1,12,80,606	4,02,92,994
Travelling Expenses	28,96,109	1,11,681	30,07,790
Travelling Expenses - Site	1,72,923	88,886	2,61,809
Business Promotion Expenses	6,53,688	3,19,017	9,72,705
Project Over Head Expenditure	-	31,700	31,700
Preoperative Expenses- Printing & Stationery	6,847	-	6,847
Preoperative Expenses- Inception Fee	5,51,500	-	5,51,500
Postage & Telegrams-Site	28,455	1,405	29,860
Repairs To Computer - Site	13,800	-	13,800
Repairs To Vehicles - Site	54,718	-	54,718
Repairs & Maintenance - Site	86,917	-	86,917
Staff Welfare	1,02,539	27,513	1,30,052
Fuel Exp-Site	9,32,038	4,31,991	13,64,029
Communication Expenses - Site	1,40,964	47,632	1,88,596
Vehicle Hire Charges - Site	9,71,324	94,045	10,65,369
Miscellaneous Exp-Site	11,73,672	-	11,73,672
Printing & Stationery-Site	3,40,155	26,645	3,66,800
Annual Surveillance Fees	1,15,992	45,377	1,61,369
Conveyance Expenses - Site	87,529	5,711	93,243
Interest On IC Fee	3,65,938	-	3,65,938
Watch & Wards - Hyderabad	47,619	-	47,619
Subscription	3,000	-	3,000
	6,92,32,737	1,31,38,771	8,23,71,508
Less: Other Income			
Insurance Claim Received	3,41,24,146	-	3,41,24,146
Sub Total	3,51,08,591	1,31,38,771	4,82,47,362
Total	7,84,36,22,302	92,83,64,724	8,77,19,87,026



CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED

2. Notes to Financial Statements for the year ended 31 st March 2016(continued)

(All amounts are in Indian rupees, except for shares data and where otherwise stated)

2.10 Long term loans and advances

Particulars	As at 31 March 2016	As at 31 March 2015
Unsecured, considered good		
Capital Advances to related party: - Madhucon Projects Limited	17,51,26,371	20,91,03,361
Security Deposits	4,500	4,500
	17,51,30,871	20,91,07,861

2.11: Cash and Cash Equivalents

Particulars	As at 31 March 2016	As at 31 March 2015
Cash on hand	57,619	42,365
Balances with banks: - In Current Accounts	8,67,79,616	1,51,56,941
	8,68,37,235	1,51,99,306

2.12: Short term loans and advances

Particulars	As at 31 March 2016	As at 31 March 2015
Unsecured, considered good		
Loans and advances to related parties	6,02,02,208	13,62,65,018
Prepaid Expenses	19,263	59,78,230
	6,02,21,471	14,22,43,248

2.13: Other current assets

Particulars	As at 31 March 2016	As at 31 March 2015
Balances with Tax Authorities	7,61,742	7,61,742
Other Receivables:		
- From Related Parties	-	-
- From Others	5,32,921	5,32,921
	12,94,663	12,94,663



CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED

2. Notes to Financial Statements for the year ended 31 st March 2016(continued)

(All amounts are in Indian rupees, except for shares data and where otherwise stated)

2.14: Other Income

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Interest On Income Tax Refund (2012-13)	-	14,521
	-	14,521

2.15: Employee Benefit Expenses

Particulars	For the year ended 31st March 2016	For the year ended 31 March 2015
Managerial Remuneration	-	2,00,000
	-	2,00,000

2.16: Finance Cost

Particulars	For the year ended 31st March 2016	For the year ended 31 March 2015
Interest on Service Tax	9	36
Interest on TDS	11,734	9,50,819
	11,743	9,50,855

2.17: Other expenses

Particulars	For the year ended 31st March 2016	For the year ended 31 March 2015
Rates & Taxes	729	7,891
Filing Fees	21,116	-
Conveyance	6,727	16,201
Office Maintenance	1,18,342	2,90,986
Payment to Auditors:		
- Audit fees	57,250	56,180
- Out of pocket expenses	19,800	5,929
- Transfer Pricing Certification Fees	17,175	16,854
Repairs and Maintenance - Others	-	24,220
Tax Audit fees	-	22,472
Transfer Pricing Study Fees	57,250	56,180
Miscellaneous expenses	9,510	4,179
	3,07,899	5,01,092



CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED

2. Notes to Financial Statements for the year ended 31 st March 2016(continued)

(All amounts are in Indian rupees, except for shares data and where otherwise stated)

2.18: Contingent liabilities and commitments

Particulars	As at 31 March 2016	As at 31 March 2015
Capital Commitments		
Estimated amount of EPC contract remaining to be executed and not provided for	1,05,95,24,223	1,15,52,49,781
Other Commitments		
Supervision Consultancy Services	1,38,31,815	1,38,31,815
	1,07,33,56,038	1,16,90,81,596

2.19: Earnings per share

Particulars	As at 31 March 2016	As at 31 March 2015
Profit/(loss) for the period attributable to equity Shareholders	(3,19,642)	(16,37,426)
<u>Shares</u>		
Number of equity shares at the beginning of the year	6,41,83,800	6,41,83,800
Add: Number of Equity shares issued during the period	-	-
Weighted average number of equity shares outstanding during the period	6,41,83,800	6,41,83,800
Basic & Diluted Earnings per share	(0.005)	(0.03)



CHHAPRA - HAJIPUR EXPRESSWAYS LIMITED
Notes forming part of Financial Statements

2.20. Corporate Information:

Chhapra - Hajipur Expressways Limited was incorporated under the Companies Act, 1956, on 02nd Day of June, 2010 as a Special Purpose Vehicle for Design, Build, Finance, Operate and Transfer of 4 laning of Chhapra - Hajipur section of NH-19 from km 143.200 to km 207.200 in the state of Bihar on Annuity basis for a concession period of 15 years (2.5 years of construction period and 12.5 years of operating period).

This contract was awarded by National Highway Authority of India. The Company shall hand over the Project Highway to NHAI on expiry of the Concession Period. The Concession Agreement, on execution, will entitle the Company to receive a fixed sum of annuity every 6 months, in arrears, starting from the date of commencement of commercial operations (COD) from NHAI.

2.21. Terms of Repayment of secured term loans:

Indian Rupee Term Loan consists of Loans borrowed from a consortium of six banks with interest rate of 13.05% as on 31st March, 2016. During the year the rate of interest has been charged ranging from 12.50% to 13.75%. The Applicable Interest Rate shall be subject to RBI policy with regard to Base Rate, as applicable from time to time. The loan is repayable in 19 semiannual unequal installments along with the interest starting from December, 2016.

The first repayment of loan Installment, as per Supplemental common loan agreement, falls due on December 31, 2016. Non-availability of materials and delay in handing over of right of way by NHAI resulted in delay in implementation of the project. As a consequence, scheduled commercial operation date, which was, as per common loan agreement, originally fixed at May 31, 2013, was extended to 31 May, 2016 by lenders.

Subsequent to year end, vide letter dated 30 April 2016, NHAI is in the process of extending the PCOD to 21 April 2017. Accordingly, the company is in the process of submitting a proposal to SBI for postponement of repayment schedule with 1st installment payable in December, 2017. The proposal is under active consideration.

The Company will draw the undrawn debt during the financial year 2016-17. Hence, the entire borrowings from secured lenders have been classified under 'Non-Current Liabilities'.

2.22. Terms of Security of secured term loans

- (i) A first mortgage/charge over the Company's immovable properties (other than Project assets), both present and future.
- (ii) A first mortgage/charge over the Company's movable assets including moveable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other moveable assets (other than Project assets), both present and future.



CHHAPRA - HAJIPUR EXPRESSWAYS LIMITED
Notes forming part of Financial Statements

(iii) A first charge on all intangible assets of the Company, including but not limited to goodwill, undertaking and uncalled capital of the Borrower.

(iv) First charge on all the accounts of the Borrower, including the Escrow Account, MMRA and other reserves without limitation, and each of the other account(s) required to be maintained/created by the Borrower under any Project Document or contract

(v) A first charge by way of assignment/security interest on all the rights, titles, benefits, interests, demand and claims under the concession Agreement, Project Documents, Contracts insurance policies obtained/procured by the Company, and/or/any of its contractors favoring the Company and all licenses, permits, approvals and consents in respect of the Project, present & future, in respect of the Project.

(vi) Pledge of 74% of shares of the paid up equity capital of the company held by the Promoters. Currently 4,74,96,012 (74%) equity shares held by Madhucon Infra Limited and Madhucon Toll Highways Limited are pledged with the lenders.

(vii) A charge on the uncalled capital of the borrower, provided that such charge, shall be limited for ensuring that the Borrower calls the balance uncalled capital and makes the shares fully paid up.

(viii) Corporate guarantee of Madhucon Toll Highways Limited.

2.23. Terms of Repayment of unsecured loan:

The above unsecured loans are given by the Promoters of the Company as per the Concession Agreement with NHAI, by way of Subordinate Loan. Such subordinate loans are interest free and the repayment shall be made only after the Final Settlement date, the date on which all the Secured Obligations have been discharged in full to the satisfaction of the Lenders.

2.24. Auditors' Remuneration

Auditors' Remuneration for the year has been charged to accounts as below:

Particulars	2015-16	2014-15
Statutory Audit Fees	57,250	56,180
Other Services	44,373	6,742
Transfer pricing Certification Fees	74,425	16,854
TOTAL	1,76,048	79,767

2.25. There has been no claimed transaction during the year 2015-16 with MICRO, Small and Medium Enterprises covered under the MICRO, Small and Medium Enterprises development act. (MSMED Act, 2006) Hence reporting details of principal and interest does not arise.



CHHAPRA - HAJIPUR EXPRESSWAYS LIMITED
Notes forming part of Financial Statements

2.26. Disclosure in accordance with Accounting Standard – AS 18, Related Party Transactions

A. List of Related Parties:

Name of the Related Party	Relationship
Madhucon Projects Limited	Ultimate Holding Company
Madhucon Infra Limited	Holding Company
Madhucon Toll Highways Limited	Fellow Subsidiary
Barasat-Krishnagar Expressways Limited	Subsidiary of Associate company
Ranchi Expressways Limited	Subsidiary of Associate company

B. Transactions with related parties:

Particulars	For the year ended 2015-16		For the year ended 2014-15	
	Transactions during the year	Amount receivable/ (payable) as at 31 March 2016	Transactions during the year	Amount receivable/ (payable) as at 31 March 2015
Madhucon Projects Limited				
EPC Cost	12,97,02,548	6,02,02,208	34,78,91,121	13,60,95,144
Mobilization & Interim Advance	3,39,76,990	17,51,26,371	-	20,91,03,361
Retention money	64,85,127	(17,17,06,046)	1,73,94,556	(16,52,20,919)
Paid on their behalf		(4,15,777)	3,39,880	1,69,874
Paid on our behalf	5,85,651		10,50,699	
Utility shifting	-	(4,32,733)	-	(4,32,733)
Unsecured Loan	16,16,00,000	(16,16,00,000)	-	-
Madhucon Infra limited				
Unsecured Loan	9,51,00,000	(141,99,10,150)	20,98,10,150	(132,48,10,150)
Paid on their behalf	5,000	(31,91,056)	-	(3,19,842)
Paid on our behalf	28,76,214		1,55,567	
Madhucon Toll Highways Ltd				
Unsecured Loan	21,00,00,000	(49,50,00,000)	-	28,50,00,000
Corporate Guarantee for Secured loans				
Barasat-krishnagar Expressways Limited	6750	(45,34,149)	20,00,000	(45,27,399)
Ranchi Expressways Limited	-	(20,00,000)	-	(20,00,000)

No amount due to/due from related party has been written off/written back during this year.



CHHAPRA - HAJIPUR EXPRESSWAYS LIMITED
Notes forming part of Financial Statements

2.27 Employee Benefits:-

- a) Contribution to Provident Fund is accounted on accrual basis.
b) Provision for Gratuity is made on actuarial basis as summarized below:

Expenses to be recognized Profit & Loss Account (FY 2015-16)	
	Amount(In Rs)
Current Service Cost	15,127
Interest Cost on benefit obligation	6,346
Expected return on plan assets	
Net Actuarial (gain). Loss recognized in the year	(13,350)
past services cost	
Net Benefit expense	8,123
Actual return on plan assets	
AMOUNT TO BE RECOGNISED IN BALANCE SHEET(F.Y-2015-16)	
Details of provision for Gratuity	
Change in the present value of the defined benefit obligation are as follows:	
Opening defined benefit obligation	79,326
Interest cost	6,346
Current services cost	15,127
Benefits paid	Nil
Actuarial (gains)/losses on obligation	(13,350)
Closing defined benefit obligation	87,449
The principal assumptions used in determining gratuity and post-employment medical benefit	
Obligations for the company's plans are shown below:	
Assumptions	%
Salary Rise	6
Discount rate	8
Attrition Rate	15
Avg Balance Service	14.85 Years



CHHAPRA - HAJIPUR EXPRESSWAYS LIMITED
Notes forming part of Financial Statements

c) Provision for Leave encashment is made on actuarial basis as summarized below

Profit & Loss Account	
	2015-16
Current Service Cost	3,788
Interest Cost on benefit obligation	937
Expected return on plan assets	
Net Actuarial (gain). Loss recognized in the year	7,985
Past services cost	
Net Benefit expense	12,710
Actual return on plan assets	
Balance Sheet	
Details of provision for Leave	
Change in the present value of the defined benefit obligation are as follows:	
Opening defined benefit obligation	11,710
Interest cost	937
Current services cost	3,788
Benefits paid	Nil
Actuarial (gains)/losses on obligation	7,985
Closing defined benefit obligation	24,420
The principal assumptions used in determining leave and post-employment medical benefit obligations for the company's plans are shown below:	
Assumptions	%
Salary Rise	6
Discount rate	8
Attrition Rate	15

Summary of Actuarial Assumptions		
A	Principle rules to compute Benefit Obligations	
1	Salary reckoned for calculating Benefit Obligations	As per rules of the Company
2	Vesting Period	5 years for Gratuity
3	Benefit formula for Gratuity for all exits except death	A1 x Completed year of service x 15/26 subject to benefit having vested
4	Benefit formula for Gratuity on death	Same as A 3 but no vesting condition
B	Mean Financial Assumptions	
1	Interest Rate for discount per unit per annum	8%
2	Salary escalation rate per unit per annum	6%



CHHAPRA - HAJIPUR EXPRESSWAYS LIMITED
Notes forming part of Financial Statements

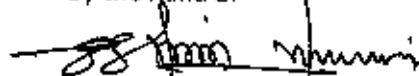
3	Expected rate of return on plan Assets per unit per annum	N/A
C	Mean Demographic Assumptions	
1	Mortality Rate	LIC 2006-08 Rates
2	Attrition rate	15% for all age
3	Disability / ill health	No explicit assumption

- 2.28. The Company being engaged in operation and management of Road on Design, Build, Finance, Operate and Transfer basis and does not have more than one segment reportable.
- 2.29. The Statement of Profit and loss has been drawn to comply with the provisions of the Companies Act, 2013. However, the Company has not commenced commercial operations.
- 2.30. The Company has not earned any income/incurred any expenditure in foreign currency during the year. (Previous year: Rs. Nil)
- 2.31. CIF Value of imports is NIL during the year. (Previous year: Nil)
- 2.32. Borrowing cost capitalized during the year is Rs. 77, 73, 45,698. (Previous year: Rs.72, 51,15,155)
- 2.33. The Company has not acquired any assets either under finance lease or under operating lease. The Company has taken office premises and residential premises under cancellable operating lease. These agreements are normally renewed on expiry. Lease rental expenses in respect of operating leases for the year amounting to Rs. 5,35,333 (Previous year - Rs.3,29,888) has been included in Pre-operative expenses pending allocation.
- 2.34. The Company does not have taxable income as per the provisions of Income Tax Act, 1961 and hence no provision for current tax is made in accounts. There are no timing differences between accounting income and taxable income and hence no deferred tax asset/liability is recognized during the year.
- 2.35. There are no contingent liabilities as on 31st March 2016.
- 2.36. Figures have been rounded off with the nearest rupee. Previous figures have been regrouped or reclassified wherever necessary.

As per our report attached.

For M.K. DANDEKER & CO.
Chartered Accountants
Firm's registration no. 000679S

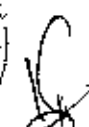
By the hand of



S. POOSAIDURAI
Partner
Membership No.223754

For & on behalf of the Board
of Chhapra-Hajipur Expressways Limited


K. SRINIVASA RAO
Director


K. RAVI
Director

Place : Hyderabad
Date : 27.05.2016

Place : Hyderabad
Date : 27.05.2016

