



MADHUCAN

CHHAPRA – HAJIPUR EXPRESSWAYS LIMITED



7TH
ANNUAL REPORT
2016- 2017





CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED

BOARD OF DIRECTORS:

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

NEW AUDITORS:

Ghoshal & Ghoshal
Chartered Accountants
Flat No.204, Anand Plaza,
Opp. R.R District Collectorate
Lakdikapul, Hyderabad-500 004
(Firm Regn. No. 304013E)

SECRETARIAL AUDITOR:

U. Suryanarayana
Practicing Company Secretary
Plot no.836A, Vivekananda Colony
Kukatpally Hyderabad-500072

BANKERS:

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

OLD AUDITORS:

Gianender & Associates
Chartered Accountants
Plot No.6, Site No.21
Geeta Mandir Marg,
New Rajinder Nagar,
New Delhi - 110060

REGISTERED OFFICE:

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



NOTICE OF SEVENTH ANNUAL GENERAL MEETING

To
The Members of
Chhapra-Hajipur Expressways Limited

NOTICE is hereby given that the **Seventh Annual General Meeting** of the Members of **Chhapra-Hajipur Expressways Limited (CIN: U45209TG2010PLC068742)** will be held on **22nd September, 2017** at **10.30 AM** 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 in **IND AS** format of the Company for the year ended 31st March, 2017, together with the report of the Board of Directors and the Auditors thereon.
2. To appoint Director in place of Sri.Srinivasa Rao Kamma, who retires by rotation and being eligible, offers himself for reappointment.
3. 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 Ghoshal & Ghoshal, Chartered Accountants, Flat No.204, Anand Plaza, Opp. R.R District Collectorate, Lakdikapul, Hyderabad-500 004, (Firm Regn. No. 304013E) 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 12th 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
Chhapra-Hajipur Expressways Limited

Place: Hyderabad
Date: 29/05/2017




Srinivasa Rao Kamma
Director
DIN: 00022855

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.

EXPLANATORY STATEMENT
(Pursuant to section 102(1) of the Companies Act, 2013)

As required by section 102(1) of the Companies Act, 2013 (Act), the following explanatory statements sets out all material facts relating to the business mentioned under Ordinary business of the accompanying Notice:

Item No. 3

Explanatory Statement under the Provisions of Companies Act, 2013

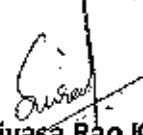
Gianender & Associates, Chartered Accountants, No 244 (Old No 138), Angappa Naicken Street, 2nd Floor, Chennai-600 001 (Firm's Regn. No: 000679S) was appointed as Statutory Auditors of the Company as per the Companies Act, 2013 for the Financial year 2016-2017 and as per the provisions of companies act 2013 they need to be retired at the ensuing Annual General meeting and Board of Directors proposed to appoint Ghoshal & Ghoshal, Chartered Accountants, Flat No.204, Anand Plaza, Opp. R.R District Collectorate, Lakdikapul, Hyderabad-500 004, (Firm Regn. No. 304013E) 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 12th AGM of the Company, subject to ratification of appointment by members at every AGM held after this AGM, and the Board of Directors recommend their Appointments for the Approval of the Shareholders.

None of the Directors/Relatives are interested in the resolution.

By Order of the Board
Chhapra-Hajipur Expressways Limited

Place: Hyderabad
Date: 29/05/2017




Srinivasa Rao Kamma
Director
DIN: 00022855



CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED
DIRECTOR'S REPORT

To
The Members of
Chhapra-Hajipur Expressways Limited.

Your Directors have pleasure in presenting their Seventh Annual Report together with Audited Financial Statement in IND AS format for the year ended 31st March, 2017.

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	2016-2017	2015-2016
	Rs.	Rs.
Total Income	1,288,049,511	616,132,220
Total Expenses	1,514,345,693	928,533,874
Profit / Loss from Continuing Operations	-226,296,182	-312,401,654
Add: Other Comprehensive Income	21,099	145,726
Total Comprehensive Income for the Period	-226,275,083	312,255,928

3. BOARD MEETINGS:

The Board met 8 (Eight) times during the financial year 2016-2017. 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
59	27.05.2016	60	18.07.2016	62	20.10.2016	63	20.01.2017
		61	22.09.2016			64	11.02.2017
						65	10.03.2017
						66	20.03.2017



4. PARTICULARS OF LOANS, INVESTMENTS, GUARANTEES AND SECURITIES

The Transactions of the Company During the year 2016-17 were within the compliances under Sec 180 and Sec 186 of the Companies Act 2013/ relevant provisions under Companies act 1956

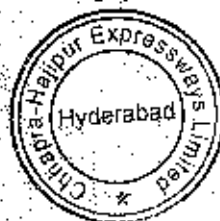
5. DIRECTORS' RESPONSIBILITY STATEMENT

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, 2017; 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, 2017 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.

6. 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 2016-2017. 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.



Further, 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.

7. RELATED PARTY TRANSACTIONS:

Company has entered into contracts with related parties in ordinary course of business at arms-length price during the year 2016-17 and the details of related parties stated in Schedules of notes to Financial Statements. Further the company has already taken approvals from its shareholders in EGM under Sec 188 of the Companies act 2013.

8. 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.

9. DIVIDEND

During the year 2016-17 Company has not earned any profit and hence not recommended dividend.

10. 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.

11. 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.

12. 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.



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

There were none of the Directors Appointed/ Resigned during the year under review.

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 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 AND SECRETARIAL AUDITORS' REPORT:

All the Point mentioned in Audit Reports were Self-Explanatory and there are no qualifications or reservations or adverse remarks in the Auditors' Report which require any clarification/ explanation from the Management.

17. STATUTORY AUDITORS:

Gianender & Associates, Chartered Accountants, No 244 (Old No 138), Angappa Naicken Street, 2nd Floor, Chennai-600 001 (Firm's Regn. No: 000679S) was appointed as Statutory Auditors of the Company as per the Companies Act, 2013 for the Financial year 2015-2016 and as per the provisions of companies act 2013 they need to be retired at the ensuring Annual General meeting and Board of Directors proposed to appoint Ghoshal & Ghoshal, Chartered Accountants, Flat No.204, Anand Plaza, Opp. R.R District Collectorate, Lakdikapul, Hyderabad-500 004, (Firm Regn. No. 304013E) 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 12th AGM of the Company, subject to ratification of appointment by members at every AGM held after this AGM, and the Board of Directors recommend their Appointments for the Approval of the Shareholders.

18. SECRETARIAL AUDITOR:

Shri U Suryanarayana, Practicing Company Secretary was appointed as Secretarial Auditor of the company for the financial year 2016-2017 and the report was enclosed as an Annexure II to the Board report.



19. 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, 2017.

20. 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.

21. 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.

22. 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.

23. 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
Chhapra-Hajipur Expressways Limited**

Place: Hyderabad

Date: 29/05/2017


Srinivasa Rao Kamma

Director

DIN: 00022855


Kamma Ravi

Director

DIN:02985836



ANNEXURE I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

(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-2016)				No. of Shares held at the end of the year (As on 31-March-2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) 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) FIIs	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 - DR	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	% of Shares Pledged / encumbered	No. of Shares	% of total Shares of the company	% of Shares Pledged	



			the company	to total shares			/encumbe red to total shares	
1	Nama Seethaiah	8888	0.03	0	8888	0.03	0	0
2	Nama Prithvi 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

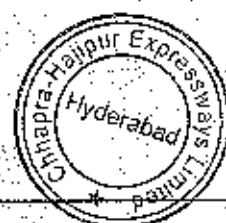
C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding		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 01.04.2016	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 31.03.2017	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		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 9 to 13 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 2016-17. On these grounds that this heading is not applicable.

For and on behalf of the Board of Directors

Chhapra-Hajipur Expressways Limited

Place: Hyderabad
Date: 29/05/2017


Srinivasa Rao Kamma
Director
DIN: 00022855


Kamma Ravi
Director
DIN: 02985836





SURYANARAYANA UPADHYAYULA

Practicing Company Secretary

Plot No.836A,
Vivekananda Nagar Colony,
Kukatpally, Hyderabad-500 072
Tel : (040) 23067959
Mobile: 9848688151
E-mail: usn1939@yahoo.co.in

FORM NO MR 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

*Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014*

To

The Members

Chhapra-Hajipur Expressways Limited

CIN: U45209TG2010PLC068742

Registered Office: Madhucon House,

Plot No.1129/A, Road No.36, Hi-Tech City Road,

Jubilee Hills, Hyderabad - 500033, Telangana.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Chhapra-Hajipur Expressways Limited** (hereinafter called the "Company") a Subsidiary of **Madhucon Infra Ltd (CIN U45200TG2006PLC049235)**. The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I, hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:



I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of -

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not Applicable to the company during the audit period)
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI), and External Commercial Borrowings (ECB); (Not Applicable to the company during the audit period)
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): (Not Applicable to the company during the audit period)
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;



h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

vi. The Other Applicable Acts & Rules (including any statutory modification or re-enactment thereof for the time being in force and the rules framed thereunder) as applicable to the company -

- a) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- b) The Payment of Gratuity Act, 1972
- c) The Payment of Bonus Act, 1965
- d) The Minimum Wages Act, 1948
- e) The Payment of Wages Act, 1936

I have also examined compliance with the applicable clauses of the following:

The Mandatory Secretarial Standards issued by the Institute of Company Secretaries of India under the Companies Act 2013,

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

The Company has not complied with the provisions of appointment of Independent Directors, pursuant to section 149 of Companies Act 2013 read with rule 4 of Companies (appointment and Qualification of Directors) Rules, 2014. However Company is in the process of Appointing Key Managerial Personnel and the Nomination and remuneration Committee will be constituted and the Existing Audit Committee will also be reconstituted.

The Company is in the process of Appointing Key Managerial Personnel (Managing Director/Manager/Whole Time Director/CEO, Chief Financial officer and Company Secretary) Pursuant to Section 203 of the Companies Act 2013 read with the Companies (Appointment and remuneration of managerial Personnel) Rules 2014.

I further report that:

The Board of directors of the Company has not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the Composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the act

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



All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minute of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

In our opinion and to the best of my information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers and agents, I report that the Company has complied with the provisions of the Act, the Rules made thereunder and the Memorandum and Articles of Association of the Company with regard to

- a. maintenance of various statutory registers and documents and making necessary entries therein;
- b. closure of Register of Members;
- c. forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities;
- d. service of documents by the Company on its Members, Debenture holders, Stock Exchanges, Auditors and the Registrar of Companies;
- e. notice of Board and various Committee meetings of Directors;
- f. meetings of Directors and all the Committees of Directors and passing circular of resolutions;
- g. notice and convening of Annual General Meeting held on 22/09/2016;
- h. minutes of the proceedings of the Board Meetings, Committee Meetings and General Meetings;
- i. approvals of the Board of Directors, Committee of Directors, Members and government authorities, wherever required;
- j. appointment and remuneration of Statutory Auditors;
- k. transfer and transmission of the Company's shares, issue and allotment of shares and issue and delivery of certificates of shares;
- l. Dividend was not declared and paid during the period of Audit.
- m. transfer of amounts as required under the Act to the Investor Education and Protection Fund-(Not applicable);
- n. Borrowings and registration of charges;



- o. report of the Board of Directors;
- p. investment of the Company's funds including inter corporate loans and investments;
- q. generally, all other applicable provisions of the Act and the Rules thereunder.

I further report that during the audit period there were no specific events/actions except as mentioned above having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Hyderabad
Date: 29/05/2017



Suryanarayana Upadhyayula
SURYANARAYANA UPADHYAYULA
Practicing Company Secretary
FCS-336 CP-2768

M.K. DANDEKER & CO.,
Chartered Accountants

Phone : +91-44-43514233
E-mail : admin@mkdandeker.com
Web : www.mkdandeker.com

No.185 (Old No.100) 2nd Floor,
Poonamallee High Road,
Kilpauk, CHENNAI - 600 010.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Changes in Equity, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and



perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March 2017, its financial performance including Other Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the said 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, the statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.
 - (e) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 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:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. ~~The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.~~
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 31 to the Ind AS financial statements.

Date: May 29, 2017

Place: Chennai



For M.K.Dandeker & Co.,
(ICAI Reg. No. 000679S)

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 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 2017, following are the 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	43,78,543	April 2016 to September 2016	7th day of subsequent month	Outstanding as on date of Audit Report
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	68,39,898	April 2014 to September 2016	30-Apr-15	Outstanding as on date of Audit Report
Employees Provident Fund and Miscellaneous Act, 1952	Provident Fund	12,192	August 2015	20th day of subsequent month	Outstanding as on date of Audit Report
Employees Provident Fund and Miscellaneous Act, 1952	Provident Fund	83,249	April 2016 to September 2016	20th day of subsequent month	Outstanding as on date of Audit Report
The Bihar Professional Tax Act	Professional Tax	7,620	April 2013 to March 2016	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 2016 to September 2016	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 any fraud on the Company by its officers or employees has been noticed or reported during the year.



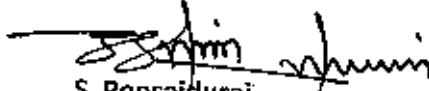
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid or provided for managerial remuneration in the current year. Hence, reporting under clause 3 (xi) of the Order does not arise.
12. The Company is not a Nidhi Company and hence clause 3 (xii) of the Companies (Auditor's Report) Order 2016 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 IND As 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, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Date: May 29, 2017

Place: Chennai



For **M.K. Dandekar & Co.,**
(ICAI Regn. No.000679S)


S. Poosaidurai

Partner

Chartered Accountants

Membership No.223754

Chhapra - Hajipur Expressways Limited
Balance Sheet as at March 31, 2017

Particulars	Note	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)	As at April 01, 2015 Amount (₹)
ASSETS				
1. Non-current assets				
a) Property, Plant and Equipment	1	1,823,020	1,814,973	1,832,450
c) Intangible assets	2	339	5,088	9,850
d) Lease Receivable	3	8,671,150,366	7,383,101,055	6,766,968,835
e) Financial Assets				
i) Security Deposits	4	4,500	4,500	4,500
f) Deferred tax assets (net)		-	-	-
g) Other non-current assets	5	371,495,941	236,090,321	346,130,121
	A	9,044,474,366	7,621,015,938	7,114,943,756
2. Current assets				
a) Inventories		-	-	-
b) Financial Assets				
i) Cash and bank balances	6	26,696,569	86,837,235	15,199,306
ii) Loans	4	-	-	-
c) Other current assets	5	11,601,445	3,302,184	6,511,150
	B	38,298,014	90,139,419	21,710,456
	A+B	9,082,772,380	7,711,155,357	7,136,656,212
TOTAL EQUITY AND LIABILITIES EQUITY				
a) Equity Share capital	7	641,838,000	641,838,000	641,838,000
b) Other Equity	8	472,572,478	693,161,363	539,163,016
	C	1,114,410,478	1,335,299,363	1,181,001,016
LIABILITIES				
1. Non-current liabilities				
a) Financial liabilities				
i) Borrowings	9	7,632,158,583	6,095,357,950	5,692,892,648
ii) Others	10	209,016,248	171,706,046	165,220,919
b) Provisions	11	103,957	86,113	78,181
c) Deferred tax liabilities (net)		-	-	-
d) Other non-current liabilities	12	-	-	-
	D	7,841,278,788	6,267,150,109	5,858,191,748
2. Current liabilities				
a) Financial liabilities				
i) Trade payables	13	5,648,121	432,733	432,733
ii) Others	10	9,848,153	10,140,982	6,847,240
b) Other current liabilities	12	111,557,829	98,106,415	90,170,620
c) Provisions	11	29,010	25,756	12,855
d) Current tax liabilities (net)		-	-	-
	E	127,083,113	108,705,886	97,463,448
Total Equity and Liabilities	C+D+E	9,082,772,380	7,711,155,357	7,136,656,212
Commitments	18			
Other notes forming part of accounts	19-36			
Significant accounting policies	37			

As per our report attached

M.K.DANDEKER & CO.

Chartered Accountants

Firm's Registration No.: 0006799

by the hand of

S. POOSAIDURAI

Partner

Membership No.: 223754

Place: Hyderabad

Date: 29-May-2017



For and on behalf of the Board
of CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED

K. SRINIVASA RAO

Director

Dirn - 00022855

Place: Hyderabad

Date: 29-May-2017

K. R. S. RAO

Director

Dirn - 02985836

(AGM - Finance and Accounts)

Chhapra - Hajipur Expressways Limited
Statement of Profit and loss for the year ended March 31, 2017

Particulars	Note	As at March 31, 2017	As at March 31, 2016
		Amount (₹)	Amount (₹)
REVENUE			
Revenue from Operations	14	496,728,516	455,275,684
Construction contract revenue	15	791,320,995	160,856,536
Other income		-	-
Total Revenue	A	1,288,049,511	616,132,220
EXPENSES			
Construction contract expenses	15	791,320,995	160,856,536
Operating expenses		-	-
Employee benefit expenses		-	-
Finance costs	16	722,868,491	767,369,439
Administration and other expenses	17	156,207	307,899
Total Expenses	B	1,514,345,693	928,533,874
Profit/(loss) before tax	A-B	(226,296,182)	(312,401,654)
Tax Expense:			
Current tax		-	-
Adjustment of tax relating to earlier periods		-	-
MAT credit entitlement		-	-
Deferred tax		-	-
Profit/(loss) after tax for the year		(226,296,182)	(312,401,654)
Prior period adjustments		-	-
Profit for the year		-226,296,182	-312,401,654
Other Comprehensive Income		21,099	145,726
Nature			
Income-tax effect			
i) Reclassifiable to profit or loss in subsequent periods			
ii) Not reclassifiable to profit or loss in subsequent periods		21,099	145,726
Total Comprehensive Income for the year		(226,275,083)	(312,255,928)
Earnings per equity share (Basic and Diluted)		(3.53)	(4.87)
Face value per equity share		10.00	10.00

As per our report attached

M.K.DANDEKER & CO.

Chartered Accountants

Firm's Registration No.: 000679S

by the hand of

S.POOSAIDURAI

Partner

Membership No.: 223754

Place: Hyderabad

Date: 29-May-2017

For and on behalf of the Board

of **CHHAPRA- HAJIPUR EXPRESSWAYS LIMITED**

K.SRINIVASA RAO

Director

Din - 00022855

Place: Hyderabad

Date: 29-May-2017

K.BAVI

Director

Din - 02985836

(AGM - Finance and Accounts)



Chhapra - Hajipur Expressways Limited
Cash Flow Statement as on March 31, 2017

S. No.	Particulars	As at March 31, 2017	As at March 31, 2016
		Amount (₹)	Amount (₹)
A	Net profit / (loss) before tax and extraordinary items	(226,277,979)	(312,379,416)
	Adjustment for		
	Depreciation and amortisation expense	-	-
	Interest expense	722,868,491	767,369,439
	Interest income	-	-
	Operating profit before working capital changes	496,590,512	454,990,023
	Adjustments for:		
	Increase / (Decrease) in other non-current financial liabilities	37,310,202	6,485,127
	Increase / (Decrease) in long term provisions	17,844	7,932
	Increase / (Decrease) in trade payables	5,215,388	-
	Increase / (Decrease) in other current financial liabilities	(292,829)	3,293,742
	Increase / (Decrease) in other current liabilities	13,451,414	7,935,795
	Increase / (Decrease) in short term provisions	3,254	12,901
	(Increase) / Decrease in other non current financial assets	-	-
	(Increase) / Decrease in other non-current assets	(135,405,620)	110,039,800
	(Increase) / Decrease in other current assets	(8,299,261)	3,208,966
	(Increase) / Decrease in Lease Receivables	(1,288,049,511)	(616,132,220)
	Net cash generated from/(used in) operating activities	(879,458,607)	(30,157,934)
	Direct taxes paid (net of refunds)	-	-
	Net Cash(used in)/generated from Operating Activities	(879,458,607)	(30,157,934)
B	Cash flow from investing activities		
	Purchase of fixed assets	(21,500)	-
	Sale of fixed assets	-	-
	Interest received	-	-
	Net cash (used in)/generated from investing activities	(21,500)	-
C	Cash flow from financing activities		
	Proceeds from issue of capital	-	-
	Proceeds from Non Current Borrowings	1,255,447,729	402,465,302
	Proceeds from NHAI Loan	281,352,905	-
	Proceeds from Unsecured Loan	5,407,298	466,700,000
	Interest paid	(722,868,491)	(767,369,439)
	Net cash (used in)/generated from financing activities	819,339,441	101,795,863
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(60,140,666)	71,637,929
	Cash and cash equivalents as at the beginning of the year	86,837,235	15,199,306
	Cash and cash equivalents as at the end of the year	26,696,569	86,837,235

Notes:

1. Cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Cash Flow statements
2. Cash and cash equivalents represent cash and bank balances.
3. Previous year's figures have been regrouped/reclassified wherever applicable.

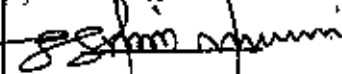
As per our report attached

M.K.DANDEKER & CO.

Chartered Accountants

Firm's Registration No.: 0006795

by the hand of



S. POOSAIDURAI

Partner

Membership No.: 223754

Place: Hyderabad

Date: 29-May-2017



For and on behalf of the Board
of CHHAPRA- HAJIPUR EXPRESSWAYS LIMITED


K. SRINIVASA RAO

Director

Din - 00022855

Place: Hyderabad

Date: 29-May-2017


K. RAVI

Director

Din - 02985836

(AGM - Finance and Accounts)

Chhapra - Hajipur Expressways Limited
Notes forming part of Accounts

1 Property, Plant and Equipment

Particulars	Cost			Depreciation			Book Value	
	As at April 01, 2016	Additions	Deductions	As at March 31, 2017	For the year	Deductions	As at March 31, 2017	As at March 31, 2016
Owned Land	1,794,700	-	-	1,794,700	-	-	1,794,700	1,794,700
Furniture and fixtures	10,186	-	-	10,186	4,348	-	1,478	5,826
Office equipment	10,384	-	-	10,384	5,033	-	303	5,337
Computers, laptops and printers	17,180	21,500	-	38,680	4,072	-	26,539	9,111
Total	1,832,450	21,500	-	1,853,950	13,454	-	1,823,020	1,814,973
Previous year				1,832,450			17,476	

2 Intangible Assets

Particulars	Cost			Amortisation			Book Value	
	As at April 01, 2016	Additions	Deductions	As at March 31, 2017	For the year	Deductions	As at March 31, 2017	As at March 31, 2016
Specialised Software	9,850	-	-	9,850	4,749	-	9,511	5,088
Total	9,850	-	-	9,850	4,749	-	9,511	5,088
Previous year	9,850			9,850			4,762	

- (a) the existence and amounts of restrictions on title, and property, plant and equipment pledged as security for liabilities;
(b) the amount of expenditures recognised in the carrying amount of an item of property, plant and equipment in the course of its construction;
(c) the amount of contractual commitments for the acquisition of property, plant and equipment; and
(d) Gross carrying amount of any fully depreciated property, plant and equipment that is still in use



1 Property, Plant and Equipment

2 Intangible Assets

Particulars	As at March 31, 2017			As at March 31, 2016			Amount (₹)		
	Current Amount (₹)	Non-current Amount (₹)	Total Amount (₹)	Current Amount (₹)	Non-current Amount (₹)	Total Amount (₹)	Current Amount (₹)	Non-current Amount (₹)	Total Amount (₹)
Receivable from NHAI	-	8,671,150,566	8,671,150,566	-	7,383,101,055	7,383,101,055	-	6,766,968,835	6,766,968,835
4 Loans	-	8,671,150,566	8,671,150,566	-	7,383,101,055	7,383,101,055	-	6,766,968,835	6,766,968,835

Particulars	As at March 31, 2017			As at March 31, 2016			Amount (₹)		
	Current Amount (₹)	Non-current Amount (₹)	Total Amount (₹)	Current Amount (₹)	Non-current Amount (₹)	Total Amount (₹)	Current Amount (₹)	Non-current Amount (₹)	Total Amount (₹)
a) Security deposits	-	4,500	4,500	-	4,500	4,500	-	4,500	4,500
b) Loans to related parties	-	-	-	-	-	-	-	-	-
c) Other loans (specify nature)	-	-	-	-	-	-	-	-	-
5 Other non-current and current assets	-	4,500	4,500	-	4,500	4,500	-	4,500	4,500

Particulars	As at March 31, 2017			As at March 31, 2016			Amount (₹)		
	Current Amount (₹)	Non-current Amount (₹)	Total Amount (₹)	Current Amount (₹)	Non-current Amount (₹)	Total Amount (₹)	Current Amount (₹)	Non-current Amount (₹)	Total Amount (₹)
Capital advances	-	370,327,397	370,327,397	-	235,328,579	235,328,579	-	345,368,379	345,368,379
For intangible assets under development	8,261,841	-	8,261,841	-	-	-	5,959,390	-	5,959,390
Advances recoverable other than in cash	56,684	-	56,684	19,263	-	19,263	18,840	-	18,840
Prepaid Insurance	-	999,619	999,619	-	716,174	716,174	-	716,174	716,174
Prepaid expenses	-	168,925	168,925	3,282,921	45,568	3,328,489	332,921	45,568	378,489
VAT recoverable	3,282,921	-	3,282,921	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Income tax net of previous year provisions	11,601,446	371,495,941	383,097,387	3,302,184	236,090,331	239,392,505	6,511,151	346,130,121	352,641,272
6 Cash and cash equivalents	-	-	-	-	-	-	-	-	-

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
a) Balances with banks	11,496,683	86,619,129	15,010,036	15,010,036	15,010,036	15,010,036
Trust retention and escrow accounts	113,970	160,487	146,905	146,905	146,905	146,905
Other accounts	282	57,619	42,365	42,365	42,365	42,365
b) Cash on hand	-	-	-	-	-	-
c) Fixed deposits with banks including interest accrued thereon	15,085,634	26,696,569	46,837,235	46,837,235	46,837,235	46,837,235
Balances with banks earn interest at floating rate based on daily bank deposit rates.	-	-	-	-	-	-

At 31 March 2017, the Company had available INR (31 March 2015: INR, 1 April 2014: INR) of undrawn committed borrowing facilities. The trust retention and escrow accounts carry a first charge to the extent of amount payable as per the waterfall mechanism as defined in the Concession agreement / Common loan agreement. As at March 31, 2017 there were no amounts included in this which are restricted/earmarked for any specific purposes by virtue of the said waterfall mechanism.



(i) Authorised, issued, subscribed and paid up

Particulars	As at As at March 31, 2017		As at As at March 31, 2016		As at April 01, 2015	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Authorised:						
Equity shares of ₹ 10 each	70,000,000	700,000,000				
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each	64,183,800	641,838,000	64,183,800	641,838,000	64,183,800	641,838,000

(ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:

Particulars	As at As at March 31, 2017		As at As at March 31, 2016		As at April 01, 2015	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)	No. of shares	Amount (₹)
At the beginning of the year	64,183,800	641,838,000	64,183,800	641,838,000	64,183,800	641,838,000
Issued during the year as fully paid						
Others						
At the end of the year	64,183,800	641,838,000	64,183,800	641,838,000	64,183,800	641,838,000

(iii) Terms / rights attached to shares

Equity shares

- a. The Company has only one class of equity share having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.
- b. The Company has not issued any securities during the year with the right/options to convert the same into equity shares at a later date.
- c. The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.
- d. The shares issued carry equal rights to dividend declared by the company and no restrictions are attached to any specific shareholder.

(iv) Details of Shares held by Holding Company/Ultimate Holding Company/its subsidiaries or associates:

Particulars	As at As at March 31, 2017		As at As at March 31, 2016		As at April 01, 2015	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Madhucon Projects Limited (Ultimate Holding Company)	100,000	1,000,000	100,000	1,000,000	100,000	1,000,000
Madhucon Infra Limited (Holding Company)	34,807,500	348,075,000	34,807,500	348,075,000	34,807,500	348,075,000
Madhucon Toll Highways Limited (Subsidiary of Holding company)	29,256,300	292,563,000	29,256,300	292,563,000	29,256,300	292,563,000
	64,163,800	641,638,000	64,163,800	641,638,000	64,163,800	641,638,000

(v) Details of Shareholders holding more than 5% shares in the company:

Particulars	As at As at March 31, 2017		As at As at March 31, 2016		As at April 01, 2015	
	No. of shares	%	No. of shares	%	No. of shares	%
Madhucon Infra Limited (Holding Company)	34,807,500	54.25%	34,807,500	54.25%	34,807,500	54.25%
Madhucon Toll Highways Limited (Subsidiary of Holding company)	29,256,300	45.60%	29,256,300	45.60%	29,256,300	45.60%

(vi) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of financial year: NIL

(vii) Calls unpaid: NIL; Forfeited Shares: NIL.



Chhapra - Hajipur Expressways Limited

Statement of Changes in Equity for the period ended March 31, 2017

8 Other Equity as on 31.03.2017

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus					Total
			Capital reserve	Securities premium reserve	General Reserve	Revaluation Reserve	Debenture Redemption Reserve	
Balance at the beginning of the reporting period	-	2,076,510,150	-	-	-	-	-	693,461,363
Equity component of Unsecured Loan	-	5,407,298	-	-	-	-	-	5,407,298
Profit for the year	-	-	-	-	-	-	-	-226,296,182
Other comprehensive income	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	-	2,081,917,448	-	-	-	-	-1,609,344,970	472,572,478

Other Equity as on 31.03.2016

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus					Total	Amount (₹)
			Capital reserve	Securities premium reserve	General Reserve	Revaluation Reserve	Debt Redemption Reserve		
Balance at the beginning of the reporting period	-	1,609,810,150	-	-	-	-	-	-1,070,647,134	539,163,016
Equity component of Unsecured Loan	-	466,700,000	-	-	-	-	-	-	466,700,000
Profit for the year	-	-	-	-	-	-	-	-312,401,654	-312,401,654
Other comprehensive income	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	-	2,076,510,150	-	-	-	-	-	-1,383,048,787	693,461,363



9 Borrowings

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	Current Amount (₹)	Non current Amount (₹)	Total Amount (₹)	Current Amount (₹)	Non current Amount (₹)	Total Amount (₹)	Current Amount (₹)	Non current Amount (₹)	Total Amount (₹)
Secured borrowings									
a) Term loans									
i) From banks	-	7,360,294,648	7,360,294,648	-	6,107,655,456	6,107,655,456	-	5,707,789,662	5,707,789,662
ii) From NHAI	-	281,352,905	281,352,905	-	-	-	-	-	-
Ind As Adjustment	-	-9,488,970	-9,488,970	-	-12,297,506	-12,297,506	-	-14,897,014	-14,897,014
Unsecured borrowings									
a) Loans from related parties	-	-	-	-	-	-	-	-	-
b) Others	-	-	-	-	-	-	-	-	-
Details of Long Term Loans	-	7,632,158,583	7,632,158,583	-	6,095,357,950	6,095,357,950	-	5,692,892,648	5,692,892,648

Particulars	Effective interest rate	Terms of repayment	
		The loan is repayable in 19 semiannual unequal instalments along with the interest starting from December, 2016.	
Term loans from banks	10.40%	The loan is repayable at the time of receipt of semi annuities after PCOD	
NHAI Loan	RBI Rate + 2%	Repayment shall be made only after the Final Settlement date, on which all the Secured Obligations have been discharged.	
Unsecured Loan	Nil		

Presentation of Long term borrowings in the Balance Sheet is as follows:

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 01 April, 2015
Long term borrowings	7,192,465,016	5,939,162,367	5,580,000,000
Current maturities of long term borrowings	-	-	-
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 10.40% as on 31st March, 2017. During the year the rate of interest has been charged ranging from 10.45% to 13.20%. 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 instalments along with the interest starting from December, 2016.

The first repayment of loan Instalment, 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.

As per the Tripartite Agreement executed by NHAI, SBI and Concessionaire on 21/10/2016, the expected PCOD was April, 2017. However, due to various reasons the PCOD was not achieved and it is expected to be achieved by December, 2017 and the lead lender is in process of extending the DCCO. Accordingly the first installment will be payable in June, 2018.

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, tools & accessories, furnishing, fixtures, fittings and all other moveable assets (other than Project assets), both present and future.

(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. Madhucon Toll Highways Limited are pledged with the lenders.

(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 (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.

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.

10 Other financial liabilities

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	Current Amount (₹)	Non current Amount (₹)	Total Amount (₹)	Current Amount (₹)	Non current Amount (₹)	Total Amount (₹)	Current Amount (₹)	Non current Amount (₹)	Total Amount (₹)
a) Interest accrued	-	-	-	-	-	-	-	-	-
b) Other liabilities	-	-	-	-	-	-	-	-	-
i) Creditors for capital supplies	-	-	-	-	-	-	-	-	-
ii) Retention money - Related Parties	9,848,153	209,016,248	209,016,248	9,848,153	171,706,046	171,706,046	-	165,220,919	165,220,919
iii) Related Parties	9,848,153	-	9,848,153	10,140,982	-	10,140,982	6,847,241	-	6,847,241
	9,848,153	209,016,248	218,864,401	10,140,982	171,706,046	181,847,028	6,847,241	165,220,919	172,068,160

11 Provisions

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	Current Amount (₹)	Non current Amount (₹)	Total Amount (₹)	Current Amount (₹)	Non current Amount (₹)	Total Amount (₹)	Current Amount (₹)	Non current Amount (₹)	Total Amount (₹)
Provision for employee benefits	29,011	103,937	132,968	25,756	86,113	111,869	12,855	78,181	91,036
	29,011	103,937	132,968	25,756	86,113	111,869	12,855	78,181	91,036

12 Other Liabilities

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	Current Amount (₹)	Non current Amount (₹)	Total Amount (₹)	Current Amount (₹)	Non current Amount (₹)	Total Amount (₹)	Current Amount (₹)	Non current Amount (₹)	Total Amount (₹)
i) Other liabilities	13,091,481	-	13,091,481	21,955,505	-	21,955,505	20,820,332	-	20,820,332
ii) Statutory payables	98,466,348	-	98,466,348	76,150,910	-	76,150,910	69,350,288	-	69,350,288
	111,557,829	-	111,557,829	98,106,415	-	98,106,415	90,170,620	-	90,170,620

13 Trade payables

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Amount (₹)		Amount (₹)		Amount (₹)	
Acceptances						
Due to related parties	5,648,121		432,733		432,733	
Due to others						
	5,648,121		432,733		432,733	

There has been no claimed transaction during the year 2016-17 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 Accounts

14 Revenue from operations

Particulars	2016-17	2015-16
	Amount (₹)	Amount (₹)
Operating revenue	496,728,516	455,275,684
Total	496,728,516	455,275,684

15 Construction Contract Revenue/Expense

Particulars	2016-17	2015-16
	Amount (₹)	Amount (₹)
Road Work	791,320,995	160,856,536
Total	791,320,995	160,856,536

16 Finance costs

Particulars	2016-17	2015-16
	Amount (₹)	Amount (₹)
Interest on Service Tax	1,254	9
Interest on TDS	1,512,732	11,734
IND AS Adjustment (Financial Asset)	718,545,968	764,758,188
IND AS Adjustment (Upfront Fee)	2,808,537	2,599,508
Total	722,868,491	767,369,439

17 Administration and other expenses

Particulars	2016-17	2015-16
	Amount (₹)	Amount (₹)
Rent, Rates and taxes	8,845	729
Filing Fee	3,890	21,116
Conveyance	14,846	6,727
Office Maintenance	47,927	118,342
Professional Fee	80,699	151,475
Miscellaneous expenses	-	9,510
Total	156,207	307,899

(a) Professional fees includes Auditors remuneration (including service tax) as follows:

Particulars	2016-17	2015-16
	Amount (₹)	Amount (₹)
a) As auditor	80,699	57,250
b) For taxation matters	-	-
c) For company law matters	-	-
d) For other services	-	-
Total	80,699	57,250

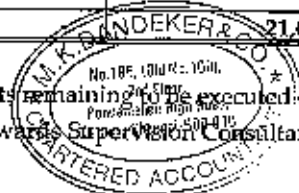
Components of Other Comprehensive Income

The disaggregation of changes to OCI by each type of reserve in equity is shown below:
During the year ended 31 March 2017

Particulars	Retained earnings	Other reserves (specify nature)	Total
	Amount (₹)	Amount (₹)	Amount (₹)
Remeasurement gains/(losses) on defined benefit plans	21,099	-	21,099
Reclassified to Statement of profit and loss	-	-	-
Total	21,099	-	21,099

18 Capital Commitments

The Company has an amount of ₹ 46,25,60,987 /- (Previous year: ₹ 105,95,24,223/-) contracts remaining to be executed on capital account as at March 31, 2017, and ₹ 1,38,31,815/- (Previous Year : ₹ 1,38,31,815/-) towards Supervision Consultancy Service Contract.



Chhapra - Hajipur Expressways Limited

Notes forming part of Accounts

19 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.

20 The Company has not earned any income/incurred any expenditure in foreign currency during the year. (previous year: Nil)

21 Disclosure pursuant to Ind AS 19 "Employee benefits":

(i) Defined benefit plans:

a) The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service. The fund is managed by LIC

b) The amounts recognised in Balance Sheet are as follows:

Particulars	Gratuity plan		Compensated absences	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
A) Present value of defined benefit obligation				
- Wholly funded	106,552	-	26,416	-
- Wholly unfunded				
	106,552	-	26,416	-
Less : Fair value of plan assets	-	-	-	-
Amount to be recognised as liability or (asset)	106,552	-	26,416	-
B) Amounts reflected in the Balance Sheet				
Liabilities	106,552	-	26,416	-
Assets	-	-	-	-
Net Liability / (asset)	106,552	-	26,416	-

c) The amounts recognised in the Statement of Profit and loss are as follows:

Particulars	Gratuity plan		Compensated absences	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
1 Current service cost	14,944	-	595	-
2 Interest on Defined benefit obligation	6,996	-	1,954	-
3 Expected return on plan assets	-	-	-	-
4 Actuarial losses/(gains)	(2,837)	-	(553)	-
From changes in demographic assumptions	-	-	-	-
From changes in financial assumptions	-	-	-	-
5 Past service cost	-	-	-	-
6 Actuarial gain/(loss) not recognised in books	-	-	-	-
7 Adjustment for earlier years	-	-	-	-
Total (1 to 7)	19,103	-	1,996	-
I Amount included in "employee benefit expenses"	19,103	-	1,996	-
II Amount included as part of "finance costs"	-	-	-	-
Total (I + II)	19,103	-	1,996	-
Actual return on plan assets	-	-	-	-



Chhapra - Hajipur Expressways Limited

Notes forming part of Accounts

- d) Effect of defined benefit plans on the amount, timing and uncertainty of entity's future cash flows.
e) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	Gratuity plan		Compensated absences	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
Opening balance of the present value of defined benefit obligation	87,449	-	24,420	-
Add: Current service cost	14,944	-	595	-
Add: Interest cost	6,996	-	1,954	-
Add: Contribution by plan participants				
i) Employer	-	-	-	-
ii) Employee	-	-	-	-
Add/(less): Actuarial losses/(gains)	(2,837)	-	(553)	-
Less: Benefits paid	-	-	-	-
Add: Past service cost	-	-	-	-
Closing balance of the present value of defined benefit obligation	106,552	-	26,416	-

- f) The major categories of plan assets of the fair value of the total plan assets are as follows :

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Investments quoted in active markets			
Cash and cash equivalents			
Unquoted investments			
Total	-	-	-

22 Disclosure pursuant to Ind AS 23 "Borrowing Costs"

Borrowing cost capitalised during the year ₹ Nil (previous year : ₹ Nil). The capitalization rate used to determine the amount of borrowing costs eligible for capitalization is 10.45%

23 Disclosure of segment information pursuant to Ind AS 108 "Operating Segments"

The Company is engaged in the business of construction, operation and maintenance of Toll road projects on a Build Operate Transfer basis in a single business segment. Hence reporting of operating segments does not arise. The Company does not have operations outside India. Hence, disclosure of geographical segment information does not arise.



24 Disclosure of related parties / related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

a) List of related parties

Ultimate Holding Company :	Madhucon Projects Limited
Holding Company :	Madhucon Infra Limited
Fellow Subsidiaries :	Madhucon Toll Highways Limited Ranchi Expressways Limited. Barasat- Krishnagar Expressways Limited
Key Managerial Personnel:	K. Srinivasa Rao N. Seethaiah

b) Disclosure of related party transactions:

Particulars	2016-17	2015-16
	Amount (₹)	Amount (₹)
A) EPC COST		
Ultimate Holding Company Madhucon Projects Limited	746,204,044	129,702,548
B) Mobilisation & Interim Advance		
Ultimate Holding Company Madhucon Projects Limited	149,240,808	33,976,990
C) Retention Money		
Ultimate Holding Company Madhucon Projects Limited	37,310,202	6,485,127
D) Reimbursement of expenses charged by		
Ultimate Holding company Madhucon Projects Limited	1,202,936	585,651
Holding company Madhucon Infra Limited	4,107,533	2,876,214
F) Reimbursement of expenses charged from		
Ultimate Holding company Madhucon Projects Limited	196,000	-
Holding company Madhucon Infra Limited	5,407,298	95,100,000
F) Utility Shifting		
Ultimate Holding company Madhucon Projects Limited	5,668,901	-
G) Unsecured Loan		
Ultimate Holding company Madhucon Projects Limited	-	161,600,000
Holding company Madhucon Infra Limited	5,407,298	95,100,000
Fellow Subsidiaries Madhucon Toll Highways Limited	-	210,000,000
H) Fellow Subsidiaries		
Barasat-Krishnagar Expressways Limited	-	6,750
Ranchi Expressways Limited	-	-
	954,745,020	735,433,280

c) Amount due to and due from related parties(net):

Particulars	Amounts due (to)/from	
	As at As at March 31, 2017	As at As at March 31, 2016
Ultimate Holding Company Madhucon Projects Limited	-7,359,685	-98,825,977
Holding Company Madhucon Infra Limited	-1,427,208,739	-1,423,101,206
Fellow Subsidiaries Madhucon Tollways Limited	49,50,00,000	49,50,00,000
Barasat-Krishnagar Expressways Limited	-4,534,149	-4,534,149
Ranchi Expressways Limited	-2,000,000	-2,000,000

d) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2016: INR Nil, 1 April 2015: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

e) There is no provision for bad and doubtful debts to related parties with regard to outstanding expenses and there is no expense recognized in respect of bad and doubtful debts due from related parties.



Notes forming part of Accounts

The Company has not acquired any assets either under Finance lease or under Operating lease. Hence disclosures pertaining to Ind AS 17 - "Leases" are not applicable.

Basic and Diluted Earnings per share (EPS) computed in accordance with Ind AS 33 "Earnings per share".

27 Disclosures as per Ind AS 37 - "Provisions, Contingent Liabilities and Contingent assets."

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

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

Amount (₹)

791,320,995

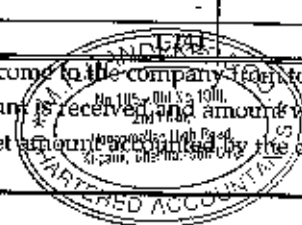
791,320,995

Intangible asset	Useful Life (in years)	Amortisation method used	Internally generated or Acquired
Specialised Software	3	Straight Line/ Remaining useful life	Acquired

For the purpose of the company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the (Ind AS 1 requires the company to make quantitative and qualitative disclosures regarding objectives policies and processes for managing capital. Also, if comparative amounts are reclassified, nature amount and reason to be disclosed and not just the fact of reclassification.)

Particulars	SBNs	Other Denomination notes	Total (₹)
Opening cash in hand as on 09-Nov-2016	-	1,141	1,141
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30-Dec-2016	-	1,141	1,141

The amount disclosed as 'permitted receipts' in other than SBNs denote the net income to the company from toll collection through cash mode. Irrespective of the denomination in which the amount is received and amount which was returned as change to the users, the amount disclosed will contain only the net amount collected by the company as toll collected through cash.



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Note : 32 First time adoption of Ind AS

Transition to Ind AS

These are the company's first standalone financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 37 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the company's date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP or IGAAP).

A. Exemptions and exceptions availed

In preparing these Ind AS financial statements, the company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the company in restating its previous GAAP financial statements, including the Balance Sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

Ind AS optional exemptions

Deemed cost

The company has elected to measure certain items of property, plant and equipment at fair value at the date of transition to Ind AS. Hence at the date of transition to Ind AS, measured as per the previous GAAP and use the same as deemed cost as on the date of transition to Ind AS.

Ind AS mandatory exceptions

Estimates

The company's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires the company to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at date of transition (April 1, 2015)

Chhapra - Hajipur Expressways Limited							
Particulars	Note	IGAAP	Effects of IND AS Transition	April 01, 2015	IGAAP	Effects of IND AS Transition	March 31, 2016
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
ASSETS							
Non-current assets							
a) Property, Plant and Equipment	1	1,832,450	-	1,832,450	1,814,973	-	1,814,973
b) Intangible assets	2	9,850	-	9,850	5,088	-	5,088
c) Lease Receivable	3	7,843,622,302	1,076,653,467	6,766,968,835	8,771,987,026	1,886,135,971	7,383,101,055
d) Loans	4	209,107,861	209,103,361	4,500	175,130,871	175,126,371	4,500
e) Other non-current assets	5	-	(346,130,121)	346,130,121	-	(236,091,321)	236,090,321
A		8,054,572,463	939,626,707	7,114,945,756	8,948,937,959	1,325,172,021	7,621,015,938
Current assets							
a) Financial Assets							
i) Cash and bank balances	6	15,199,306	-	15,199,306	86,837,235	-	86,837,235
ii) Loans		142,243,248	142,243,248	-	60,221,471	60,221,471	-
b) Other current assets	5	1,294,663	(5,216,487)	6,511,150	1,294,663	742,479	3,302,184
B		158,737,217	137,026,761	21,710,456	148,353,369	60,963,950	90,139,419
TOTAL	A+B	8,213,309,680	1,076,653,468	7,136,656,212	9,097,291,328	1,386,135,971	7,711,155,357
EQUITY AND LIABILITIES							
EQUITY							
a) Equity Share capital	8	641,838,000	-	641,838,000	641,838,000	-	641,838,000
b) Other Equity	9	(8,890,681)	(548,053,697)	539,163,016	(9,210,323)	(702,671,685)	693,461,363
C		632,947,319	(548,053,697)	1,181,001,016	632,627,677	(702,671,685)	1,335,299,363
LIABILITIES							
Non-current liabilities							
a) Financial liabilities							
i) Borrowings	10	7,189,810,150	1,496,917,502	5,692,892,648	8,015,672,517	1,920,314,567	6,095,357,950
ii) Other financial liabilities	11	165,220,919	-	165,220,919	171,706,046	-	171,706,046
b) Provisions	12	78,181	-	78,181	86,113	-	86,113
c) Deferred tax liabilities (net)		-	-	-	-	-	-
D		7,355,109,250	1,496,917,502	5,858,191,748	8,187,464,676	1,920,314,567	6,267,150,109
Current liabilities							
a) Financial liabilities							
i) Trade payables	14	432,733	-	432,733	432,733	-	432,733
ii) Other financial liabilities	11	-	(6,847,240)	6,847,240	-	10,140,982	10,140,982
b) Other current liabilities	13	224,807,523	134,636,903	90,170,620	276,740,486	21,885,34,071	98,106,415
c) Provisions	12	12,855	-	12,855	25,736	-	25,736
E		225,253,111	127,789,663	97,463,448	277,198,955	168,493,089	108,705,886
Total Equity and Liabilities	C+D+E	8,213,309,680	1,076,653,468	7,136,656,212	9,097,291,328	1,386,135,971	7,711,155,357

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Note A

Under Indian GAAP, transaction costs incurred in connection with borrowings are capitalised under intangible assets under development. For transition to IndAS, such transaction costs are adjusted with the fair value of the borrowings on initial recognition. Interest on the borrowings is accounted under the Effective Interest Rate method (EIR). Accordingly borrowings as at 31 March 2015 have been reduced by ₹ 1,48,97,014. Consequently an amount of ₹ 1,48,97,014 has been derecognised from intangible asset.

Note B

The Company has received Interest free Unsecured Loan of ₹ 160,98,10,150/- from their Holding Company Madhucon Infra Limited till FY: 2014-15 & ₹ 46,67,00,000 in FY: 2015-16 which is repayable at the end of Concession Period.

Note C

Adjustments to retained earnings and other comprehensive income has been made in accordance with Ind AS, for the above mentioned line items.

Reconciliation of Statement of Profit and loss for the year ended March 31, 2016

Particulars	Note	IGAAP Amount (₹)	Effects of IND AS Transition Amount (₹)	Ind As Amount (₹)
REVENUE				
Revenue from Operations	14	-	(455,275,684)	455,275,684
Construction contract revenue	15	-	(160,856,536)	160,856,536
Other income		-	-	-
Total Revenue	A	-	(616,132,220)	616,132,220
EXPENSES				
Construction contract expenses	15	-	(160,856,536)	160,856,536
Operating expenses		-	-	-
Employee benefit expenses		-	-	-
Finance costs	16	11,743	(767,357,696)	767,369,439
Administration and other expenses	17	307,899	-	307,899
Total Expenses	B	319,642	(928,214,232)	928,533,874
Profit/(loss) before tax	A-B	(319,642)	312,082,012	(312,401,654)
Tax Expense:				
Current tax		-	-	-
Profit/(loss) after tax for the year		(319,642)		(312,401,654)
Prior period adjustments		-		-
Profit for the year		-319,642		-312,401,654
Other Comprehensive Income		-		145,726
Nature				
Income-tax effect				
i) Reclassifiable to profit or loss in subsequent periods				
ii) Not reclassifiable to profit or loss in subsequent periods				145,726
Total Comprehensive Income for the year		(319,642)		(312,255,928)
Earnings per equity share (Basic and Diluted)		(0.005)		(4.87)
Face value per equity share		10.00		10.00

Note A

Under IGAAP, addition to carriageway is capitalised at cost however under IND AS same has been booked as expense and Revenue is recognised by adding a suitable margin in the cost and such revenue is capitalised as Intangible Asset.

Note B

Under Ind AS, provision for resurfacing is recognised based on discounted value of estimated expenses to its present value at a pre-tax rate while in IGAAP, such discounting was not allowed.

Actuarial Gain/Loss is reclassified to Other Comprehensive Income.

Note C

Under IND AS, Upfront cost paid on loan is amortised over the period of loan.



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Notes forming part of Accounts

33 Disclosure Under Appendix B to Ind AS 11

Description of the arrangement	Significant terms of the arrangement	
Construction, operation and maintenance of the Toll Road on Design, Build, Finance, operate and Transfer basis	Period of the Concession	A period of 15 years from Appointed Date(27 - 01 - 2011).
	Remuneration	Annuities to be paid Semi - Annually by NHAI.
	Conditions of Pricing	As per notification issued by NHAI from time to time.
	Infrastructure return at the end of the concession period	Being DBFOT project , the project assets have to be transferred at the end of concession period
	Obligations & Rights	The Concessionaire shall at its own cost and expense undertake, comply with and perform, in addition to and not in derogation of its obligations elsewhere setout in Concession Agreement. The Concessionaire has the rights to collect the Toll from users of the Toll Road.
	Changes in the arrangement occurring during the period	Any changes in the arrangement like change in the Shareholding etc needs approval from the NHAI.
	Classification of Service Arrangement	The service arrangement has been classified as a Service Concession Arrangement for a PTP project as per Appendix A to Ind AS 11- Construction Contracts; accordingly construction revenues and expenses are accounted during construction phase and intangible asset is recognised towards rights to charge the users of the system.

34 Disclosure in pursuant to Ind AS 107- Financial Instruments:

34.1 Financial Risk Management

The company's activities expose it to variety of financial risks : market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

34.2 Market risk

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

34.2.1 Foreign Currency Risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate.

The company is not exposed to foreign currency risk as it has no borrowing in foreign currency.

34.2.2 Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Interest risk arises to the company mainly from Long term borrowings with variable rates. The company measures risk through sensitivity analysis.

Currently, Lending by Commercial Banks is at variable rate only, which is the inherent business risk.



The company's exposure to interest rate risk due to variable interest rate borrowings is as follows:

Particulars	31.03.2017	31.03.2016	01.04.2015
Senior Debt from Banks - Variable rate borrowings	7,192,465,016	5,939,162,367	5,580,000,000

Sensitivity analysis based on average outstanding Senior Debt		
Interest Rate Risk Analysis	Impact on profit/ loss after tax	
	FY 2016-17	FY 2015-16
Increase or decrease in interest rate by 25 basis point	16,414,534	14,398,953

Note: Profit will increase in case of decrease in interest rate and vice versa

34.2.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The company is not exposed to any price risk during the year.

The company measures risk through sensitivity analysis.

34.2.4 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

The company is exposed to liquidity risk due to bank borrowings and trade and other payables.

The company measures risk by forecasting cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

The following are the contractual maturities of financial liabilities

As at March 31, 2017	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Senior Debt from Banks	7,192,465,016	1,274,200,000	519,700,000	1,648,800,000	3,749,765,016
Trade Payables	5,648,121	5,648,121	-	-	-
Other financial liabilities	209,016,248	209,016,248	-	-	-

As at March 31, 2016	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Senior Debt from Banks	5,939,162,367	-	1,274,200,000	1,736,900,000	2,928,062,367
Trade Payables	432,733	432,733	-	-	-
Other financial liabilities	171,706,046	171,706,046	-	-	-

As at April 01, 2015	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Senior Debt from Banks	5,580,000,000	-	-	2,370,700,000	3,209,300,000
Trade Payables	432,733	432,733	-	-	-
Other financial liabilities	165,220,919	165,220,919	-	-	-

34.2.5 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The company generally does not have trade receivables as collection of toll income coincide as and when the traffic passes through toll - plazas. The company has other receivables primarily from government authorities. Hence, the management believes that the company is not exposed to any credit risk.



35 Disclosure of Financial Instruments

35.1 Disclosure of Financial Instruments by Category

Financial instruments by categories	Note no.	As at March 31, 2017				As at March 31, 2016				As at April 01, 2015	
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost	Amortized cost
Financial asset											
Loans & advances	4	-	-	4,500	-	-	4,500	-	-	4,500	4,500
Lease Receivable	3	8,671,150,566	-	-	7,383,101,055	-	-	6,766,968,835	-	-	-
Cash and cash equivalents	6	-	-	26,696,569	-	-	-	-	-	-	-
Total Financial Asset		8,671,150,566	-	26,701,069	7,383,101,055	-	4,500	6,766,968,835	-	15,199,306	15,203,806
Financial liability											
Term Loan from Banks & others	9	-	-	7,632,158,583	-	-	-	-	-	-	-
Other Non Current Financial Liabilities	10	-	-	209,016,248	-	-	-	-	-	-	-
Other Current Financial Liabilities	10	-	-	9,848,153	-	-	-	-	-	-	-
Trade Payables	13	-	-	5,648,121	-	-	-	-	-	-	-
Total Financial Liabilities		-	-	7,856,671,105	-	-	6,277,637,711	-	-	5,865,393,540	5,865,393,540

35.2 Default and breaches

There are no defaults with respect to payment of principal, interest and no breaches of the terms and conditions of the loan.

There are no breaches during the year which permitted lender to demand accelerated payment.

35.3 Fair value of Financial asset and liabilities at amortized cost

Particular	Note no.	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Fair value
Financial Assets										
Loans & advances	4	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Lease Receivable	3	8,671,150,566	8,671,150,566	7,383,101,055	7,383,101,055	7,383,101,055	7,383,101,055	6,766,968,835	6,766,968,835	6,766,968,835
Cash and cash equivalents	6	26,696,569	26,696,569	86,837,233	86,837,233	15,199,306	15,199,306	15,199,306	15,199,306	15,199,306
Total Financial Assets		8,697,851,635	8,697,851,635	7,469,942,790	7,469,942,790	15,203,806	15,203,806	6,782,177,476	6,782,177,476	6,782,177,476
Financial liability										
Term Loan from Banks & others	9	7,632,158,583	7,632,158,583	6,095,357,950	6,095,357,950	5,692,892,648	5,692,892,648	5,692,892,648	5,692,892,648	5,692,892,648
Other Non Current Financial Liabilities	10	209,016,248	209,016,248	171,706,046	171,706,046	165,220,919	165,220,919	165,220,919	165,220,919	165,220,919
Other Current Financial Liabilities	10	9,848,153	9,848,153	10,140,982	10,140,982	6,847,240	6,847,240	6,847,240	6,847,240	6,847,240
Trade Payables	13	5,648,121	5,648,121	432,733	432,733	432,733	432,733	432,733	432,733	432,733
Total Financial Liabilities		7,856,671,105	7,856,671,105	6,277,637,711	6,277,637,711	5,865,393,540	5,865,393,540	5,865,393,540	5,865,393,540	5,865,393,540

The carrying amount of current financial assets and current trade and other payables measured at amortized cost are considered to be the same as their fair values, due to their short term nature.

The carrying amount of Security Deposit measured at amortized cost is considered to be the same as its fair value due to its insignificant value.

The carrying value of Rupee Term Loan and approximate fair value as the instruments are at prevailing market rate.



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Notes forming part of Accounts

36 Fair Value Measurement

36.1 Fair value hierarchy

As at March 31, 2017

Financial Asset & Liabilities Measured at FV - Recurring FVM	Note No.	Level 1 (₹)	Level 2 (₹)	Level 3 (₹)	Total (₹)
Financial asset measured at FVTPL					
Investments in Mutual Funds		-	-	-	-
Total of Financial Assets		-	-	-	-

Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed	Note No.	Level 1 (₹)	Level 2 (₹)	Level 3 (₹)	Total (₹)
Financial Assets					
Loans & advances	4	-	4,500	-	4,500
Total of Financial Assets		-	4,500	-	4,500
Financial Liabilities					
Term Loan from Banks	9	-	7,632,158,583	-	7,632,158,583
Other Non Current Financial Liabilities	10	-	209,016,248	-	209,016,248
Other Current Financial Liabilities	10	-	9,848,153	-	9,848,153
Trade Payables	13	-	5,648,121	-	5,648,121
Total of Financial Liabilities		-	7,856,671,105	-	7,856,671,105

As at March 31, 2016

Financial Asset & Liabilities Measured at FV - Recurring FVM	Note No.	Level 1 (₹)	Level 2 (₹)	Level 3 (₹)	Total (₹)
Financial asset measured at FVTPL					
Investments in Mutual Funds		-	-	-	-
Total of Financial Assets		-	-	-	-

Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed	Note No.	Level 1 (₹)	Level 2 (₹)	Level 3 (₹)	Total (₹)
Financial Assets					
Loans & advances	4	-	4,500	-	4,500
Total Financial Assets		-	4,500	-	4,500
Financial Liabilities					
Term Loan from Banks	9	-	6,095,357,950	-	6,095,357,950
Other Non Current Financial Liabilities	10	-	171,706,046	-	171,706,046
Other Current Financial Liabilities	10	-	10,140,982	-	10,140,982
Trade Payables	13	-	432,733	-	432,733
Total Financial Liabilities		-	6,277,637,711	-	6,277,637,711



As at April 1, 2015

Financial Asset & Liabilities Measured at FV - Recurring FVM	Note No.	Level 1 (₹)	Level 2 (₹)	Level 3 (₹)	Total (₹)
Financial asset measured at FVTPL					
Investments in Mutual Funds		-	-	-	-
Total of Financial Assets		-	-	-	-

Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed	Note No.	Level 1 (₹)	Level 2 (₹)	Level 3 (₹)	Total (₹)
Financial Assets					
Loans & advances	4	-	4,500	-	4,500
Total of Financial Assets		-	4,500	-	4,500
Financial Liabilities					
Term Loan from Banks	9	-	5,692,892,648	-	5,692,892,648
Other Non Current Financial Liabilities	10	-	165,220,919	-	165,220,919
Other Current Financial Liabilities	10	-	6,847,240	-	6,847,240
Trade Payables	13	-	432,733	-	432,733
Total of Financial Liabilities		-	5,865,393,540	-	5,865,393,540

There are no transfer between level 1 and level 2 during the year

The company policy is to recognise transfers into and transfer out of fair values hierarchy levels as at

36.2 Valuation technique and inputs used to determine fair value

Financial assets and liabilities	Valuation	Inputs
Financial assets		
Security deposit & other loans and advances	Income	Cash flow
Financial liabilities		
Term Loan from Banks	Income	Effective rate of borrowing
Other financial liabilities	Income	Cash flow

36.3 Asset pledged as security

Particulars	Note no	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)	As at April 01, 2015 Amount (₹)
Non Financial Asset				
Property, Plant & Equipment	1	1,823,020	1,814,973	1,832,450
Intangible asset	2	339	5,088	9,850
Lease Receivable	3	8,671,150,566	7,383,101,055	6,766,968,835
Other Financial Asset	4	4,500	4,500	4,500
Financial Asset				
Cash and Cash Equivalents	7	26,696,569	86,837,235	15,199,306
TOTAL		8,699,674,994	7,471,762,852	6,784,014,941



37 Significant Accounting Policies**37.1 Statement of compliance**

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of sections 133 read with section 469 of the Companies Act, 2013 (18 of 2013) and sub-section (1) of Section 210A of the Companies Act, 1956 (1 of 1956). Upto the year ended 31 March 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial Statements. The date of transition to Ind AS is 01 April 2015. Refer Note 32 A for the details of first time adoption exemptions availed by the Company.

37.2 Basis of accounting

The Company maintains its accounts on accrual basis following the historical cost convention. 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 override the same requiring a different treatment. Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

37.3 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize. Estimates include the useful lives of property plant and equipment and intangible fixed assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, provisions for resurfacing obligations, fair value measurement etc.

The financial statements of the Company have been prepared in accordance with the significant accounting policies duly considering Management's assessment of various matters relating to arbitration/termination proceedings, future projections etc, which are significant to the Company and the final outcome of these matters, including legal/contractual interpretations, where applicable, could have a significant impact on the financial statements and the Management's evaluation of the same is very critical and fundamental to the preparation of these financial statements.

37.4 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 Ind AS 7 "Statement of Cash Flows". 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 in line with the requirements of Schedule III. Per share data are presented in Indian Rupees to two decimal places.



37.5 Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation.

37.6 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 the indirect method, the net profit/(loss) is adjusted for the effects of:

- i. changes during the period in inventories and operating receivables and payables and transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses, and undistributed profits of associates; and
- iii. all other items for which the cash effects are investing or financing cash flows.

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement.

37.7 Property, Plant and Equipment (PPE)

Property, Plant and Equipment is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation. For qualifying assets, borrowing costs capitalised in accordance with the IND AS 23.

For transition to Ind AS, the carrying value of PPE under previous CAAP as on 01 April 2015 is regarded as its cost. The carrying value was original cost less accumulated depreciation.

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

Property, Plant and Equipment not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation on assets have been provided on straight-line basis as per useful lives 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.

Assets individually costing less than Rs.5,000 are fully depreciated in the year of purchase.

37.8 Revenue recognition

- a) Revenue is recognised based on nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable and is reduced for customer returns, rebates and other similar allowances.
- b) Interest Income is recognized on time proportion basis taking into account the amount outstanding and applicable interest rate.
- c) Revenue from annuity based projects is recognised in the Statement of Profit and Loss over the concession period of the respective projects based on the implicit rate of return embedded in the projected cash flows. Such income is duly adjusted for any variation in the amount and timing of the cash flows in the period in which such variation occurs.
- d) Dividend Income is recognized when the right to receive is established.
- e) Profit/loss on sale of investments is recognised at the time of actual sale/redemption.
- f) Other items of income are accounted as and when the right to receive arises.



37.9 Intangible assets**(i) Annuity Projects (Unconditional right to receive cash from Authority)**

Unconditional right to receive cash obtained in consideration for rendering construction services, represent the right to receive specified annuity amounts from the National Highways Authority of India ("NHAI") during the concession period in respect of Build-Operate-Transfer ("BOT") projects undertaken by the Group. Such unconditional right to receive cash is capitalised as financial assets upon initial recognition at the cumulative construction costs plus obligation towards negative grants and additional concession fee payable to National Highways Authority of India ("NHAI")/State authorities, if any. Till the completion of the project, the same is recognised under intangible assets under development. The revenue from toll collection/other income during the construction period is reduced from the carrying amount of intangible assets under development.

The cost incurred for work beyond the original scope per Concession agreement (normally referred as "Change of Scope") is capitalized as intangible asset under development as and when incurred. Reimbursement in respect of such amounts from NHAI/State authorities are reduced from the intangible assets to the extent of actual receipts.

b) Other intangible assets

Specialized software is amortized over a period of three years on straight line basis from the month in which the addition is Pre-operative expenses including administrative and other general overhead expenses that are directly attributable to the development or acquisition of intangible assets are allocated and capitalized as part of cost of the intangible assets.

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

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

37.10 Government grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve.

37.11 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical 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 recognised in the period in which the employee renders the related service.

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.



(ii) Post employment benefits

(a) Defined contribution plans:

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 Other Comprehensive Income.

Remeasurement, comprising actuarial gains and losses, the return on plan assets (excluding net interest) and any change in the effect of asset ceiling (if applicable) are recognised in other comprehensive income and is reflected immediately in retained earnings and is not reclassified to profit & loss.

The interest element in the actuarial valuation of defined benefit plans, which comprises the implicit interest cost and the impact of changes in discount rate, is classified under finance cost. The balance charge is recognised as employee benefit expenses in the Statement of Profit and Loss.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

(iii) Other 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.

iv) Termination Benefits

Termination benefits such as compensation under Voluntary Retirement cum Pension Scheme are recognised as expense and a liability is recognised at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

37.12 Borrowing costs

Borrowing costs include interest calculated using the effective interest method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for acquisition, construction or production of qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset are added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.



37.13 Leases

Operating:

Assets acquired on leases where a significant portion of risks and rewards of ownership are retained by the lessor 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.

37.14 Earnings per share

The basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which would have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at the average market value of the outstanding shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increase loss per share included.

37.15 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.

37.16 Provisions, contingent liabilities and contingent assets

A provision is recognised when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in notes in case of a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation or a present obligation arising from past events, when no reliable estimate is possible the Notes. Contingent Assets are neither recognized, nor disclosed.

37.17 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

37.18 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



37.19 Claims

Claims against the Company not acknowledged as debts are disclosed under contingent liabilities. Claims made by the company are recognised as and when the same is approved by the respective authorities with whom the claim is lodged.

37.20 Commitments

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

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for
 - (ii) Uncalled liability on shares and other investments partly paid
 - (iii) Funding related commitment to subsidiary, associate and joint venture companies and
 - (iv) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of
- Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

As per our report attached
M.K.DANDEKER & CO.

Chartered Accountants

Firm's Registration No.: 000679S

by the hand of

S. POOSAIDURAI

Partner

Membership No.: 223754

Place: Hyderabad

Date: 29-May-2017

For and on behalf of the Board of Directors
of CHHAPRA - HAJIPUR EXPRESSWAYS LIMITED

K. SRINIVASA RAO

Director

Din - 00022855

Place: Hyderabad

Date: 29-May-2017

K. RAO

Director

Din - 02985836

(AGM - Finance and Accounts)

