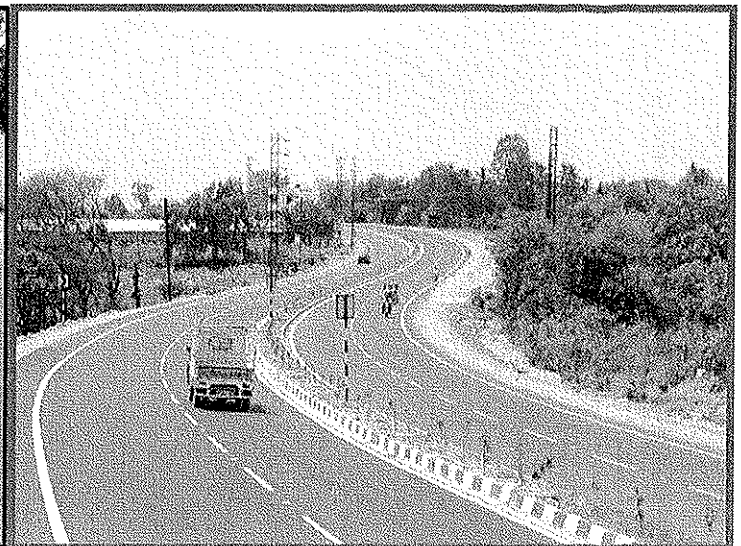
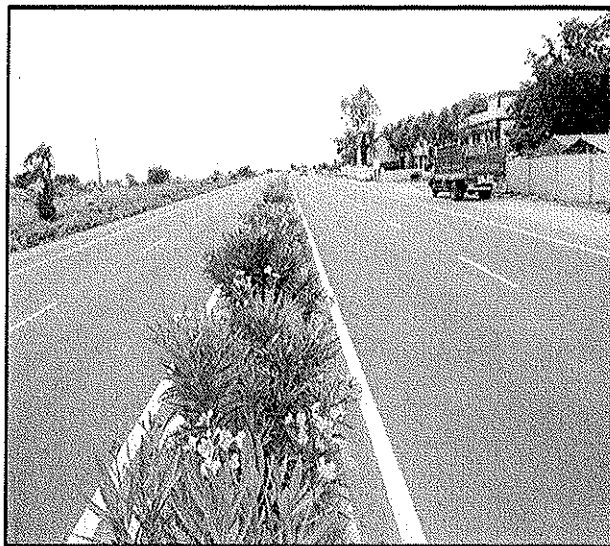


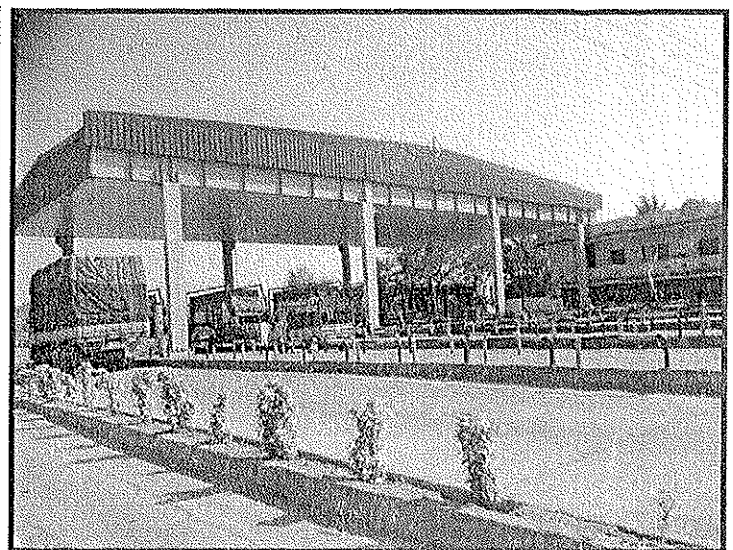
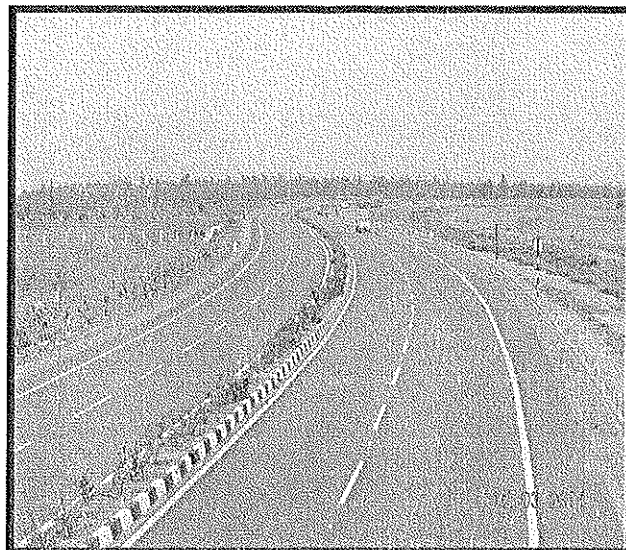


HKR ROADWAYS LIMITED

7TH ANNUAL REPORT 2016-17



STATE HIGHWAY (SH) – 1 :: HYDERABAD – KARIMNAGAR – RAMAGUNDAM



"Infrastructure is the life line of an economy and we add our bit to it"

CORPORATE INFORMATION**BOARD OF DIRECTORS**

Mr. T.V. Sandeep Kumar Reddy	Director
Mr. P.V. Krishna Reddy	Director
Mr. C. Peda Subbaiah	Director
Mr. Bajrang Lal Gupta	Independent Director
Mr. M.V. Narasimha Rao	Independent Director

AUDIT COMMITTEE

Mr. M.V. Narasimha Rao	Chairman
Mr. Bajrang Lal Gupta	Member
Mr. T.V. Sandeep Kumar Reddy	Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. M.V. Narasimha Rao	Chairman
Mr. Bajrang Lal Gupta	Member
Mr. T.V. Sandeep Kumar Reddy	Member

REGISTERED & CORPORATE OFFICE

6-3-1090, B-1,
T.S.R Towers, Rajbhavan Road
Somajiguda, Hyderabad – 500 082,
Telangana.
Tel: +91-40-23310330, 23314284
Fax: +91-40-23398435
Corporate Identification No. U45203TG2010PLC069897

AUDITORS

M/s. Gianender & Associates
Chartered Accountants
Plot No.21, Site No.6, Geeta Mandir Marg,
New Rajinder Nagar,
New Delhi – 110 060

REGISTRAR AND TRANSFER AGENT

BIGSHARE SERVICES PRIVATE LIMITED
Branch Office: 306, Right Wing, Amrutha Ville,
Opp, Yasodha Hospital, Rajbhavan Road,
Somajiguda, Hyderabad - 500082,
Telangana.
E Mail: bsshyd@bigshareonline.com,
Tel: 040- 2337 4967

PROJECT LENDERS

**Canara Bank
Oriental Bank of Commerce
Corporation Bank
Indian Overseas Bank
India Infrastructure Finance Company Ltd. (IIFCL)
Andhra Bank
Indian Bank
United Bank of India
Dena Bank**

CONCESSIONING AUTHORITY

**ROADS AND BUILDINGS DEPARTMENT,
GOVT. OF TELANGANA
Q.C. Building, Erramanzil,
Hyderabad - 500082,
Telangana.**

BOARDS' REPORT

To,
The Members,

Your Directors have immense pleasure in presenting the 7th Annual Report of your Company and the Audited Financial Statements for the year ended 31st March, 2017.

1. PROJECT DETAILS:

Your Company is a Special Purpose Vehicle incorporated for the purpose of **four-Laning of Hyderabad – Karimnagar – Ramagundam Road (SH-1) from Km 28.200 to 235.058 (Approx 206.858 Km) in the state of Andhra Pradesh (Now Telangana) under Public Private Partnership to be executed as BOT (Toll) Pattern.**

The above said contract was awarded to the Company under international competitive bidding by Andhra Pradesh Road Development Corporation (APRDC) (Now Chief Engineer, R&B, PPP Cell, Govt. of Telangana).

Accordingly, your Company entered into a Concession Agreement with APRDC on 20th August 2010. The concession period of the project is 25 years, out of which 2.50 years is the construction period and 22.50 years is the Operations & Maintenance period.

2. CAPITAL & FINANCE

The Total Project Cost of Rs.2,209 Crores is financed by both Equity and Debt. The Equity constitutes 31% of the Total Project Cost and the Debt constitutes 69%. The details of financial arrangement for the project are depicted below:

S. No.	Particulars	Amount (Rs. in Crore)
1	Promoters' Equity/Quasi-equity	230.00
2	Grant	454.00
	Total Equity / Quasi-equity	684.00
3	Term Loan from Lenders	
	a. Canara Bank (Lenders' Agent)	300.00
	b. Oriental Bank of Commerce	200.00
	c. Corporation Bank	200.00
	d. Indian Overseas Bank	200.00
	e. IIFCL	181.00
	f. Andhra Bank	144.00
	g. Indian Bank	100.00
	h. United Bank of India	100.00
	i. Dena Bank	100.00
		<u>1525.00</u>
4	TOTAL	<u>2209.00</u>

3. FINANCIAL SUMMARY

The following table shows the Financial Summary of the Company for the year ended 31 March 2017:

S. No.	Particulars	For the year ended 31.03.2017 (Rs.)	For the year ended 31.03.2016 (Rs.)
1)	INCOME		
	Income from Operations	1,14,07,59,080	120,39,48,347
	Other Income	6,28,14,518	11,16,08,008
	TOTAL	120,35,73,598	131,55,56,355
2)	EXPENDITURE		
	Employee Benefits Expense	57,77,270	58,04,186
	Finance Costs	1,71,72,42,066	173,90,66,502
	Depreciation & Amortization expense	13,60,65,266	10,71,92,151
	Other Expenses	11,19,67,379	9,66,54,049
	TOTAL	1,97,10,51,981	194,87,16,888
3)	PROFIT / (LOSS) BEFORE TAX	(76,74,78,383)	(63,31,60,533)
	Provision for Taxation:		
	- Current Tax	-	-
4)	PROFIT / (LOSS) AFTER TAX	(76,74,78,383)	(63,31,60,533)
	Earning (Loss) per Share – Basic & Diluted	(165.32)	(136.39)

4. THE YEAR IN RETROSPECT

a. PROVISIONAL COMPLETION CERTIFICATE AND TOLL COLLECTION:

The members are already aware that the Company has achieved the Provisional Completion Certificate and has commenced toll collection from the public, effective from 1st June 2014. Out of the total project stretch of around 207 kms, your Company has completed 195.048 kmr up to 31st May 2016 and the pending works are carried out on the balance stretch of the Road. As the revision of Toll Rates is due every two years as per the Concession Agreement; the Toll Rates are revised w.e.f. 1st June 2016.

The Toll rates being collected from the public are as per the following table, which is in accordance with the approval letter issued by the Roads & Buildings Department, Government of Telangana (hitherto Andhra Pradesh).

All amounts are in Rupees.

Toll Plaza – 1:

	Rates applicable up to 31 st May 2014			Rates applicable w.e.f. 1 st June 2016		
	Single Trip	Daily Pass	Monthly Pass	Single Trip	Daily Pass	Monthly Pass
Car						
LCV	52	78	1560	51	77	1530
Truck/Bus	103	155	3090	102	153	3060
MAV/HCV	206	309	6180	203	305	6090

Toll Plaza – 2:

Car	Rates applicable up to 31 st May 2014			Rates applicable w.e.f. 1 st June 2016		
	Single Trip	Daily Pass	Monthly Pass	Single Trip	Daily Pass	Monthly Pass
LCV	51	77	1530	50	75	1500
Truck/Bus	102	153	3060	101	152	3030
MAV/HCV	204	306	6120	201	302	6030

Toll Plaza – 3:

Car	Rates applicable up to 31 st May 2014			Rates applicable w.e.f. 1 st June 2016		
	Single Trip	Daily Pass	Monthly Pass	Single Trip	Daily Pass	Monthly Pass
LCV	46	69	1380	49	74	1470
Truck/Bus	92	138	2760	98	147	2940
MAV/HCV	185	277	5550	197	296	5910

The Toll Collections for the Financial Year 2016-17 vis-à-vis 2015-16 is tabulated below:

S. No.	Particulars	Toll Collections	
		(01.04.2016 to 31.03.2017)	(01.04.2015 to 31.03.2016)
1	Toll Plaza-1	48.33	53.26
2	Toll Plaza-2	36.60	39.94
3	Toll Plaza-3	29.15	27.19
	Total	114.08	120.39

The Toll Collection has not been very encouraging during the Financial Year 2015-16. On an average, the daily toll collection was approximately Rs.32.89 Lacs. During the financial year 2016-17, the Toll Collection was improved slightly and the daily average collections were Rs. 33.36 lacs. The toll collections were suspended from 10th November 2016 to 2nd December 2016 as per the directions from the Government of India due to demonetization of Rs. 500 and Rs. 1000 currencies. Your Company has submitted the claim for reimbursement of Rs. 11.42 Crore to The Chief Engineer (R&B), PPP, Govt. of Telangana, due to loss of revenue from 10th November, 2016 to 2nd December, 2016.

The major impediments in toll collection during the year were the following:

- Decline in sand mining (granite and sand) across the Project Highway stretch, which has significantly reduced the heavy vehicles plying on the Project Highway.
- Decline in construction activities in Hyderabad, which has significantly reduced the movement of heavy vehicles into Hyderabad.
- Overall sluggishness in the economy.
- Suspension of Toll Collections due to demonetization of Rs. 500 and Rs. 1000 currencies.

b. EPC WORKS

The members are aware of the fact that the EPC Work of the project is being shared by M/s Gayatri Projects Ltd. (GPL) and M/s Megha Engineering & Infrastructures Ltd. (MEIL), with an EPC Cost of Rs.875 Crores each. For ease of construction, the entire project has been divided into 4 packages as follows:

Package No.	EPC Contractor	Chainage Details
Package – I	MEIL	KM 28.035 to KM 82.00
Package – II	GPL	KM 82.00 to KM 144.500
Package – III	MEIL	KM 144.500 to KM 197.00
Package – IV	GPL	KM 197.00 to KM 235.058

During the year, the EPC work was carried out on the available stretches of land, and the EPC Contractors could be able to complete majority of works relating to road furnishing, structures, construction of toll plazas etc., due to uninterrupted availability of funds and continuous monitoring by the PMC team. The amount of EPC Cost incurred upto 31st March 2017, vis-à-vis the Total EPC Cost, is tabulated herein below:

				Rs. in Crores
S. No.	Particulars	MEIL	GPL	Total
1	Total EPC Cost	875.00	875.00	1,750.00
2	EPC Cost upto 31 st March 2017	757.28	817.65	1,574.93
3	Balance EPC Cost	117.72	57.35	175.07

The balance EPC works pertain to various items of works, for which either land has not been handed over or for which relevant permissions have not been obtained. According to the Concession Agreement, it is entirely the responsibility of the Concessions Authority to hand-over the land and also to obtain required permissions from various authorities such as railways, NTPC etc.

c. O&M Works

The Company has been closely monitoring the O&M works required to be done in accordance with the Concession Agreement. As part of the O&M works, the following have been provided:

- Patrolling Vehicle with revolving lights round the clock.
- Ambulance round the clock with an on-duty doctor to provide first aid.
- Towing crane for break-down vehicles and vehicles that have met with an accident.
- Sign Boards/Gantries at several junctions.
- Removal of dead animals on the Project Highway.
- Cleaning/sweeping of the main carriageway.
- Median plantation and watering.

The Concessions Authority has found the work of the Company satisfactory.

d. GRANT

During the year, your Company has received Grants of Rs. 13.25 Crore from the State Government.

The details of Grant received by your Company upto 31st March 2017 are tabulated below:

Rs. in Crores

S. No.	Particulars	Central Govt. Share	State Govt. Share	Total
1	Grant as per Concession Agreement	271.64	182.36	454.00
2	Grant received upto 31 st March 2017	261.62	175.63	437.25
3	Balance Grant	10.02	6.73	16.75

e. TERM LOANS:

The following table shows the Term Loan outstanding as on 31st March 2017:

Rs. in Crores

S. No.	Name of the Lender	Term Loan Committed	Disbursement received	Balance Term Loan to be disbursed	Repayment	Term Loan Outstanding	Interest Outstanding
1	Canara Bank	300.00	288.93	11.07	6.75	282.18	8.35
2	Oriental Bank of Commerce	200.00	192.62	7.38	4.50	188.12	5.54
3	Corporation Bank	200.00	192.62	7.38	4.50	188.12	5.54
4	Indian Overseas Bank	200.00	192.62	7.38	4.50	188.12	5.55
5	IIFCL	181.00	174.32	6.68	4.07	170.25	5.04
6	Andhra Bank	144.00	138.68	5.32	3.24	135.44	3.99
7	Indian Bank	100.00	96.33	3.67	2.25	94.08	1.79
8	United Bank of India	100.00	96.33	3.67	2.25	94.08	1.84
9	Dena Bank	100.00	96.33	3.67	2.25	94.08	1.79
	Total	1525.00	1468.78	56.22	34.31	1434.47	39.43

Your Company has remitted Term Loan Installment and Interest on Term Loans up to 31st December 2016. The 8th term loan installments due on 31st March 2017 and interest on term loan from January 2017 to March 2017 is due to the lenders. The lenders have placed the account on SMA-2 category.

5. FUTURE OUTLOOK

As the Toll Collections during the last three years are far below than the Estimated Toll Revenue, your Company could not pay Term Loan Interest and Installments in time. During the year, your company has utilised DSRA reserve of Rs. 50.51 Crore during the year to pay term loan interest and installments with the consent of the Lenders. However, as on 31st March 2017, interest on term loan of Rs. 39.43 cr pertains to the month of January 2017 to March 2017. To overcome this situation, Reserve Bank of India (RBI) has issued notification dated 13th June 2016 on implementation of S4A scheme. Accordingly, the Company has discussed the matter with all the lenders at the Consortium meeting held on 18th August, 2016 and again on 24th April 2017. The Lenders have appointed M/s. SBI Capital Markets Ltd (SBI Caps) to study implementation of S4A scheme. The draft S4A scheme submitted by SBI Caps was discussed in the Consortium Meeting held on 24th April 2017. The approvals from the lenders are in process. Your Company is confident that the said scheme will be implemented by October 2017.

6. EXTRACT OF ANNUAL RETURN

The Extract of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 and the same is enclosed as **Annexure – 1** to this Report.

7. BOARD MEETINGS

During the year ended 31st March, 2017, Four Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The dates on which the Board meetings were held are 17th May, 2016, 31st August, 2016, 29th November, 2016 and 7th March, 2017.

Attendance of Directors at the meetings:

The details of the attendance of the Directors at the Board meetings held during the year ended 31st March, 2017.

Name of the Director	Number of Board Meetings	
	Held	Attended
T.V. Sandeep Kumar Reddy	4	3
Sharat Goyal	4	3
P.V. Krishna Reddy	4	3
C. Pedda Subbaiah	4	4
Bajrang Lal Gupta	4	4
K. Ravi Kumar Reddy	2	1
V.L. Moorthy	3	0

Audit Committee Meetings

During the year ended 31st March, 2017, one Audit Committee Meeting was convened and held. The date on which the Audit Committee meeting was held on 17th May, 2016.

Attendance of Directors at the meetings:

The details of the attendance of the Directors at the Audit Committee meetings held during the year ended 31st March, 2017.

Name of the Director	Number of Audit Committee Meetings	
	Held	Attended
K. Ravi Kumar Reddy	1	1
Bajrang Lal Gupta	1	1
T.V. Sandeep Kumar Reddy	1	0

8. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies and applied them consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken 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 fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Bajrang Lal Gupta was appointed as Director of the Company in the category of Independent Director with effect from 9th March, 2016 to 8th March, 2021 in the AGM held on 31st August, 2016.

Mr. K. Ravi Kumar Reddy was re appointed as Director of the Company in the category of Independent Director with effect from 3rd March, 2016 to 2nd March, 2021 in the AGM held on 31st August, 2016.

Mr. K. Ravi Kumar Reddy resigned as a Director of the Company in the category of Independent Director with effect from 22nd November, 2016.

Mr. M.V. Narasimha Rao was appointed as an Additional Director of the Company in the category of Independent Director with effect from 7th March, 2017 to 6th March, 2022.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

Mr. V.L. Moorthy resigned as a Director of the Company with effect from 28th December, 2016.

Mr. Sharat Goyal resigned as a Director of the Company with effect from 15th May, 2017.

10. DECLARATION BY INDEPENDENT DIRECTORS

The independent directors have submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section(6).

11. RE-APPOINTMENTS

Mr. C. Peda Subbaiah, Director of the Company is retiring by rotation and being eligible, offers himself for re-appointment.

12. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration (N&R) Committee discusses and decides the appointment of the Board of Directors and their remuneration.

The Committee headed by Mr. M.V. Narasimha Rao as a Chairman and Mr. B.L Gupta and Mr. Mr. T.V. Sandeep Kumar Reddy, members of the Committee.

The Committee meetings are held as and when required by the Company.

13. AUDITOR'S REPORT

There are no qualifications in the Auditors Report.

14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements to the extent applicable.

15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with related parties referred to in Section 188 in Form AOC – 2 is annexed herewith as **Annexure-2**.

16. TRANSFER OF AMOUNT TO RESERVES

The Company does not propose to transfer any amount to the general reserve for the Financial Year ended 31st March 2017.

17. DIVIDEND

The Board of Directors does not recommend any dividend on the Equity Shares for the financial year ended 31st March 2017.

18. MATERIAL CHANGES AND COMMITMENTS

There has been no material change and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

There has been no change in the nature of business of the Company.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information relating to Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014 is Nil.

20. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

As already mentioned hereinabove, your Company has started collecting toll from the public with effect from 01st June, 2014. The Toll Collection is the major source of revenue for your Company, which would, even in future, account for approximately 98% of the total income. In this context, it is imperative that there is a risk management policy in place, to control revenue leakages in the respective Toll Plazas.

Your Company has ensured that proper systems are planned, implemented and effectively monitored to ensure zero leakages in toll revenue at all the 3 Toll Plazas. Apart from appointing reputed agencies for Toll Collection and Incident Management, your Company has deployed sufficient resources at the Toll Plazas to monitor their work on daily basis. Daily security checks of toll collectors, surprise cash counting and an effective software management for toll collection form part of the risk management policies that your Company has implemented. Further, the classification of vehicles for toll collection is monitored by validators. Exemptions from toll collections are approved by the project in-charge at the toll plaza and monitored by the PMC team on daily basis.

21. POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR

The policy developed and implemented by the Company on Corporate Social Responsibility initiatives taken during the year is Nil as the relevant provisions of the Companies Act, 2013 in this regard are not applicable to the Company.

22. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees.

23. SUBSIDIARY COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATE COMPANIES

During the financial year ending 31st March, 2017 your Company had no subsidiaries or associate Companies.

The names of companies which have become or ceased to be Company's Subsidiaries, joint ventures or associate companies during the year

During the Financial Year, no company is ceased to be the Company's Subsidiary, joint venture or associate company.

24. CONSOLIDATED FINANCIAL STATEMENTS

As the Company does not have any subsidiary or associate companies, the Consolidated Financial Statements are not applicable.

25. STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES

As the Company does not have any subsidiary or associate companies, the statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures is not applicable.

26. DEPOSITS

The Company has not accepted any deposits from the public in terms of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

27. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

28. STATUTORY AUDITORS

At the Annual General Meeting held on 26th August, 2015, M/s. Gianender & Associates, Chartered Accountants, New Delhi bearing ICAI Regd.No.004661N, were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2020. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting.

Accordingly, the appointment of M/s. Gianender & Associates, Chartered Accountants, New Delhi bearing ICAI Regd.No.004661N, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

29. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is Nil.

30. VIGIL MECHANISM

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the Vigil Mechanism Policy are available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company.

31. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has ensured that appropriate policies and procedures are adopted for ensuring orderly and efficient conduct of the business, including adherence to Company's policies, the safeguarding of its assets, prevention and detection of fraud and error, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information.

32. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company lays emphasis on competence and commitment of its human capital recognizing its pivotal role for organizational growth.

During the year, the Company maintained a record of peaceful employee relations. Your Directors wish to place on record their appreciation for the commitment shown by the employees throughout the year.

33. ACKNOWLEDGEMENTS

Your Directors express their appreciation to the Company's Bankers, Statutory Auditors, Customers, Consultants and Members for their constant help, co-operation and support.

For and on behalf of the Board

Place: **Hyderabad**

Date: **23rd May, 2017**



P.V. KRISHNA REDDY

DIRECTOR

DIN: 01815061



T.V. SANDEEP KUMAR RREDY

DIRECTOR

DIN: 00005573

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended 31.03.2017
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:	
CIN	U45203TG2010PLC069897
Registration Date	09/08/2010
Name of the Company	HKR ROADWAYS LIMITED
Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non Government Company
Address of the Registered Office and contact details	6-3-1090, B-1, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana. E Mail: rajkumar@givl.co.in , Tel: 040-23310330
Whether listed company	Unlisted
Name, address and contact details of Registrar and Transfer Agent, if any	BIGSHARE SERVICES PVT. LTD. Branch Office: 306, Right Wing, Amrutha Ville, Opp, Yasodha Hospital, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana. E Mail: bsshyd@bigshareonline.com , Tel: 040- 2337 4967

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:			
Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Construction of Roads	42101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -					
Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NIL					

Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	34,35,289	12,07,000	46,42,289	100	34,35,289	12,07,000	46,42,289	100	-

ii) Shareholding of Promoters

S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Gayatri Projects Limited	12,06,995	26.00	25.42	12,06,995	26.00	25.42	-
2	DLF	12,06,995	26.00	-	12,06,995	26.00	-	-
3	Gayatri Infra Ventures Limited	5,10,647	10.99	0.17	5,10,647	10.99	0.17	-
4	Mr. T. V. Sandeep Kumar Reddy (Nominee of M/s. Gayatri Projects Limited)	1	0.00	-	1	0.0001	-	-
5	Mr. M.V. Narasimha Rao (Nominee of Gayatri Projects Limited)	1	0.00	-	1	0.0001	-	-
6	Mr. K. G. Naidu (Nominee of Gayatri Projects Limited)	1	0.00	-	1	0.0001	-	-
7	Mr. G. N. Mallikarjuna Rao (Nominee of Gayatri Projects Limited)	1	0.00	-	1	0.0001	-	-
8	Mr. K. Venkata Mohan (Nominee of Gayatri Projects)	1	0.00	-	1	0.0001	-	-

	Limited)							
9	Megha Engineering & Infrastructures Ltd	17,17,647	37.00	25.41	17,17,647	37.00	25.41	
Total		46,42,289	100	51	46,42,289	100	51	-

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

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	46,42,289	100	-	-
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):		-	-	-
	At the end of the year	46,42,289	100	-	-

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	14,53,52,55,000	2,25,35,77,110		16,78,88,32,110
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	14,53,52,55,000	2,25,35,77,110		16,78,88,32,110
Change in Indebtedness during the financial year				
Addition				
Reduction	19,06,25,000			19,06,25,000
Net Change	(19,06,25,000)			(19,06,25,000)

Indebtedness at the end of the financial year				
i) Principal Amount	14,34,46,30,000	2,25,35,77,110		16,59,82,07,110
ii) Interest due but not paid	39,43,50,649			39,43,50,649
iii) Interest accrued but not due				
Total (i+ii+iii)	14,73,89,80,649	2,25,35,77,110		16,99,25,57,759

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
1.	Gross Salary	-	-	-	-
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-	-
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act	-	-	-	-

B. Remuneration to other directors:

1. Independent Directors

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. K. Ravi Kumar Reddy	Mr. B.L. Gupta	Mr. M.V. Narasimha Rao	-
	-Fee for attending Board/Committee Meetings	Rs.10,000/-	Rs.25,000/-	Rs.5,000/-	Rs.40,000/-

	-Commission				
	- Others, please specify				
	Total (B)(1)	Rs.10,000/-	Rs.25,000/-	Rs.5,000/-	Rs.40,000/-

2. Other Non Executive Directors

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
	-Fee for attending Board/Committee Meetings	-	-	-	-
	-Commission	-	-	-	-
	- Others, please specify	-	-	-	-
	Total (B)(2)	-	-	-	-
	Total (B)= (B)(1)+ (B)(2)	Rs.10,000/-	Rs.25,000/-	Rs.5,000/-	Rs.40,000/-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: -N.A.-

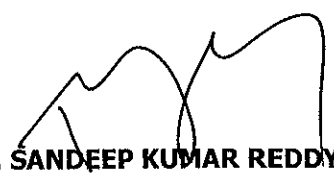
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-

Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board



P.V. KRISHNA REDDY
DIRECTOR
DIN: 01815061



T.V. SANDEEP KUMAR REDDY
DIRECTOR
DIN: 00005573

Place: **Hyderabad**
 Date: **23rd May, 2017**

Form No. AOC-2

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

(a) Name(s) of the related party and nature of relationship	Nil
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) date(s) of approval by the Board	
(g) Amount paid as advances, if any:	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship	During the year, no material contracts or arrangements have been entered into by the Company.
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	
(e) Date(s) of approval by the Board, if any:	
(f) Amount paid as advances, if any:	

For and on behalf of the Board

Place: **Hyderabad**

Date: **23rd May, 2017**


P.V. KRISHNA REDDY

DIRECTOR

DIN: 01815061


T.V. SANDEEP KUMAR REDDY

DIRECTOR

DIN: 00005573

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HKR ROADWAYS LIMITED

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of **HKR ROADWAYS LIMITED** ("the Company"), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity 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 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) prescribed under Section 133 of the Act read with relevant rules issued there under.

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 there under.

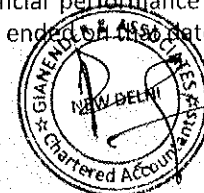
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements is free from material 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 financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on the date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity 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 relevant rule issued there under;
 - (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure - A"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has not pending litigation which would impact its financial position;
 - ii. The company did not have any long-term contract including derivative contract for which there were any material foreseeable losses;
 - iii. There were no amounts which were required by the company to be transferred to the Investor Education and Protection Fund, and;
 - 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 8 November, 2016 to 30 December, 2016. However we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures with respect to currency held other than SBNs are in accordance with books of account maintained by the company and as produced to us by the management.

For Gianender & Associates
Chartered Accountants
FRN: 004661N



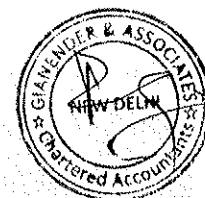
[Signature]
RK Agrawal
Partner
M No. 085671

Place: New Delhi
Date: 23.05.2017

Annexure to the Independent Auditor's Report of HKR Roadways Limited for the Year ended as on 31st March 2017

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-

- i.
 - 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 Company has no immoveable property as on 31.03.2016.
- ii. As the company is engaged in the business of infrastructure development, operations and its maintenance and there is no inventory in hand at any point of time, hence paragraph 3(ii) of the Order is not applicable to the company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.
- v. The Company has not accepted deposits in terms of the provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under. Therefore the paragraph 3(v) of the Order is not applicable to the company.
- vi. The Company is prima-facie maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii.
 - 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 been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2017, there are no undisputed statutory dues payable for period exceeding for a period more than six month from the date they become payable.
 - b) According to the information and explanations given to us, there were no statutory dues pending in respect of income tax, sales tax, VAT, custom duty and cess etc. on account of any dispute.
- viii. The company has taken term loans from various banks and a financial institution. During the year the company has defaulted in payment of interest amounting to Rs 25,23,31,515 ranging from 31 to 90 days. The Company has not taken any loans or borrowings from any Government and has not issued any debentures during the year.
- ix. Money raised by way of term loans were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer.
- x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.
- xi. The company has not paid any managerial remuneration, hence paragraph 3(xi) of the order is not applicable to the company.



- xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable to the company.
- xiii. In our opinion and according to the information provided to us, the transaction entered with the related parties are in compliance with section 177 and 188 of the Act and are disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, therefore para 3(xiv) of the Order is not applicable to the company.
- xv. According to the information provided to us, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under section 192 of the Companies Act 2013. Therefore, paragraph 3(xv) of the Order is not applicable to the company.
- xvi. According to the information provided to us, the company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the company.

For Gianender & Associates
Chartered Accountants
FRN: 004661N



RK Agrawal
Partner
M No. 085671

Place: New Delhi
Date: 23.05.2017

Annexure-A

Annexure referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-

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

We have audited the internal financial controls over financial reporting of **HKR Roadways Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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



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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi
Date: 23.05.2017

For Gianender & Associates
Chartered Accountants
FRN: 004661N




RK Agrawal
Partner
M No. 085671

HKR Roadways Limited
Balance sheet as on 31 March 2017
 (All amounts in ₹ unless otherwise stated)

	Notes	As at		
		31 March 2017	31 March 2016	1 April 2015
Assets				
Non-current assets				
Property, plant and equipment	3	70,10,463	66,63,049	32,93,383
Intangible assets	4	14,12,01,29,049	14,25,52,62,947	14,36,15,59,878
Intangible assets under development	4	20,22,98,354	15,57,64,171	17,42,661
Financial assets				
- Loans	5	22,55,04,270	25,05,34,085	-
Income tax assets, net	6	61,77,516	53,28,617	5,47,55,929
Other non-current assets	7	51,52,06,914	93,75,57,106	85,00,00,000
		15,07,63,26,566	15,61,11,09,975	15,27,13,51,851
Current assets				
Financial Assets				
- Loans	5	-	18,95,959	19,49,271
- Cash and cash equivalents	8	5,81,72,084	2,14,91,144	93,75,67,129
Other current assets	9	3,06,05,972	7,37,05,033	7,73,18,119
Prepayments	10	52,54,112	64,08,937	45,22,547
		9,40,32,168	10,35,01,073	1,02,13,57,066
Total assets		15,17,03,58,734	15,71,46,11,048	16,29,27,08,917
Equity and liabilities				
Equity				
Equity share capital	11	4,64,22,890	4,64,22,890	4,64,22,890
Other equity				
Retained earnings	12	(1,97,79,24,600)	(1,21,04,46,217)	(57,72,85,684)
Total Equity		(1,93,15,01,710)	(1,16,40,23,327)	(53,08,62,794)
Non-current Liabilities				
Financial liabilities				
- Borrowings	13	16,17,88,32,110	16,52,19,57,110	16,58,99,32,110
Long-term provisions	14	12,42,380	11,43,840	7,41,548
		16,18,00,74,490	16,52,31,00,950	16,59,06,73,658
Current liabilities				
Financial liabilities				
- Borrowings	13	41,93,75,000	26,68,75,000	15,25,00,000
- Other financial liabilities	15	39,43,50,649	-	1,68,861
Provisions	14	29,898	28,773	-
Other current liabilities	16	10,80,30,407	8,86,29,652	8,02,29,192
		92,17,85,954	35,55,33,425	23,28,98,053
Total equity and liabilities		15,17,03,58,734	15,71,46,11,048	16,29,27,08,917


See accompanying Notes are an integral part of the Financial Statements


As per our report of even date attached
 For GIANENDER & ASSOCIATES
 Chartered Accountants
 FRN: 004661N


 R.K. AGRAWAL
 Partner
 Membership. No. 085671



For and on behalf of the Board


 P.V. KRISHNA REDDY
 Director
 DIN: 01815061


 T.V. SANDEEP KUMAR REDDY
 Director
 DIN: 00005573

Place: New Delhi
 Date: 23.05.2017

Place: Hyderabad
 Date: 23.05.2017



Place: Hyderabad
 Date: 23.05.2017

HKR Roadways Limited
Statement of Profit and Loss for the year ended 31 March 2017
(All amounts in ₹ unless otherwise stated)

	Notes	For the year ended	
		31 March 2017	31 March 2016
Revenue from operations	17	1,14,07,59,080	1,20,39,48,347
Other income	18	96,030	25,00,906
Finance Income	19	6,27,18,488	10,91,07,102
Total income		1,20,35,73,598	1,31,55,56,355
Expenses			
Employee benefits expense	20	57,77,270	58,04,186
Depreciation and amortization expense	3&4	13,60,65,266	10,71,92,151
Finance costs	21	1,71,72,42,066	1,73,90,66,502
Other expenses	22	11,19,67,379	9,66,54,049
Total expense		1,97,10,51,981	1,94,87,16,888
Loss before tax from continuing operations		(76,74,78,383)	(63,31,60,533)
Current tax		-	-
Income tax expense		-	-
Loss for the year from continuing activities		(76,74,78,383)	(63,31,60,533)
Number of Equity Shares		46,42,289	46,42,289
Earnings per equity share (EPES)			
Basic		(165.32)	(136.39)
Diluted		(165.32)	(136.39)

See accompanying Notes are an integral part of the Financial Statements

As per our report of even date attached
For **GIANENDER & ASSOCIATES**
Chartered Accountants
FRN: 004661N


R.K. AGRAWAL


Partner
Membership. No. 085671


Place: New Delhi
Date: 23.05.2017

For and on behalf of the Board


P.V. KRISHNA REDDY

Director
DIN: 01815061

Place: Hyderabad
Date: 23.05.2017


**T.V. SANDEEP
KUMAR REDDY**

Director
DIN: 00005573

Place: Hyderabad
Date: 23.05.2017

HKR Roadways Limited**Statement of Cash Flows for the year ended 31 March 2017**

(All amounts in ₹ unless otherwise stated)

	31 March 2017	31 March 2016
	INR	INR
Operating activities		
Profit/(loss) before tax	(76,74,78,383)	(63,31,60,533)
Depreciation on Fixed Assets	9,31,368	8,95,220
Amortisation of intangible assets	13,51,33,898	10,62,96,931
Finance income	(6,27,18,488)	(10,91,07,102)
Finance costs (including fair value changes in financial liabilities)	1,71,72,42,066	1,73,90,66,502
Working capital adjustments:		
Movements in provisions, gratuity etc	99,665	4,31,065
Decrease in trade and other receivables and prepayments	4,42,53,886	17,26,696
Increase in trade and other payables	1,94,00,755	84,00,460
Income tax paid	(8,48,899)	4,94,27,312
Net cash flows from/(used in) operating activities	1,08,60,15,868	1,16,39,76,551
Investing Activities		
Purchase of property, plant and equipment	(12,78,782)	(42,64,886)
Additions to intangible assets	(4,65,34,183)	(15,40,21,510)
Interest received (finance income)	6,27,18,488	10,91,07,102
Investment in fixed deposits	-	(8,75,57,106)
Maturity of fixed deposits	42,23,50,192	-
Long term loans and advances	2,50,29,815	(25,05,34,085)
Short term loans and advances	18,95,959	53,312
Net cash flows from/(used in) investing activities	46,41,81,489	(38,72,17,173)
Financing Activities		
Interest paid	(1,32,28,91,417)	(1,73,92,35,363)
Proceeds/(Repayment) from/of borrowings	(19,06,25,000)	4,64,00,000
Net cash flows from/(used in) financing activities	(1,51,35,16,417)	(1,69,28,35,363)
Net increase in cash and cash equivalents	3,66,80,940	(91,60,75,985)
Cash and cash equivalents at the beginning of the year	2,14,91,144	93,75,67,129
Cash and cash equivalents at year end	5,81,72,084	2,14,91,144

As per our report of even date attached
For GIANENDER & ASSOCIATES
Chartered Accountants
FRN: 004661N

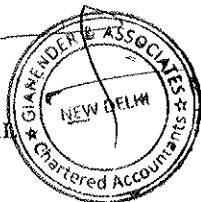
R.K. AGRAWAL

Partner

Membership. No. 085671

Place: New Delhi

Date: 23.05.2017



For and on behalf of the Board

P.V. KRISHNA REDDY

Director

DIN: 01815061

Place: Hyderabad

Date: 23.05.2017

T.V. SANDEEP
KUMAR REDDY

Director

DIN: 00005573

Place: Hyderabad

Date: 23.05.2017

HKR Roadways Limited**Statement of Changes in Equity for the year ended 31 March 2017**

(All amounts in ₹ unless otherwise stated)

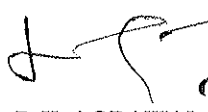
(a) Equity share capital

	Number	Amount
Equity shares of ₹10 each issued, subscribed and fully paid		
At 1 April 2015	46,42,289	4,64,22,890
At 31 March 2016	46,42,289	4,64,22,890
At 31 March 2017	46,42,289	4,64,22,890

(b) Other equity

	Other Equity		Total
	Retained earnings	Security Premium Reserve	
Balance as of 1 April 2016	(1,21,04,46,217)	-	(1,21,04,46,217)
Profit for the period	(76,74,78,383)	-	(76,74,78,383)
Other comprehensive income	-	-	-
Balance as of 31 March 2017	(1,97,79,24,600)	-	(1,97,79,24,600)
Balance as of 1 April 2015	(57,72,85,684)	-	(57,72,85,684)
Profit for the period	(63,31,60,533)	-	(63,31,60,533)
Other comprehensive income	-	-	-
Balance as of 31 March 2016	(1,21,04,46,217)	-	(1,21,04,46,217)

As per our report of even date attached
For **GIANENDER & ASSOCIATES**
Chartered Accountants
FRN: 004661N


R.K. AGRAWAL
Partner

Membership. No. 085671

Place: New Delhi
Date: 23.05.2017

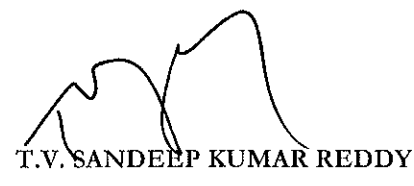


For and on behalf of the Board


P.V. KRISHNA REDDY
Director

DIN: 01815061

Place: Hyderabad
Date: 23.05.2017


T.V. SANDEEP KUMAR REDDY
Director

DIN: 00005573

Place: Hyderabad
Date: 23.05.2017

HKR Roadways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

1. CORPORATE INFORMATION

M/s HKR Roadways Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956.

The Company is a Special Purpose Vehicle (SPV) incorporated on 9th August 2010 for the execution of the project "Design, Construction, Finance, Operation and Maintenance, Rehabilitation and Strengthening of existing 2-lane Road and widening to 4-lane Divided Highway of SH-1 in the state of Andhra Pradesh on Design, Build, Finance, Operate and Transfer "DBFOT" Pattern. The company has entered into a Concession Agreement with APRDC, which specified a two and half year of construction period and Twenty Two and a half year of Operation & Maintenance period.

The Company achieved the Provisional Completion Certificate and has commenced the Toll Collection on 190 km. of the Project Highway w.e.f. 01 June 2014.

2. BASIS OF PREPARATION

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in note 28. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ▶ Held primarily for the purpose of trading
- ▶ Expected to be realised within twelve months after the reporting period, or
- ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- ▶ It is expected to be settled in normal operating cycle
- ▶ It is held primarily for the purpose of trading
- ▶ It is due to be settled within twelve months after the reporting period, or
- ▶ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting

2.1 SIGNIFICANT ACCOUNTING POLICIES

a) Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

b) Fixed Assets:

I. Tangible

Tangible Fixed Assets are stated at historic cost which includes freight, installation cost, duties, taxes and other incidental expenses less accumulated depreciation.

II. Intangible Assets

Intangible assets are recognized as per the criteria specified in accordance with Indian Accounting Standards (Ind AS) 38 "Intangible Assets" as specified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Accounts) Rules, 2015 and are amortized as follows:

Carriageway representing Toll Collection Rights are obtained in consideration for rendering construction, operation and maintenance services in relation to building and maintenance of the project on Build, Operate and Transfer basis. The cost of such Carriageway comprises construction cost and other cooperative costs incurred during the implementation phase.



HKR Roadways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

2.1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Such Carriageway on completion are capitalized as Intangible Asset and are amortized over the period of rights given under the Concession Agreement as they represent right to collect Toll revenue during the concession period.

III. Intangible Assets under development

Intangible Asset under development includes direct and indirect expenditure incurred for the Highway project and costs incidental and related thereto.

Expenses incurred relating to the development of Highway project prior to commencement of commercial operations are included under Intangible Asset under development and after completion to be transferred to Intangible Asset.

c) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- i. Fee collection from users of the facility are accounted for as and when the amount is due and recovery is certain. Income from sale of smart card is recognized as and when the amount is received from the users of the cards.
- ii. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- iii. Dividend income is recognized when the right to receive is established.
- iv. Other items of income are accounted for as and when the right to receive arises.

d) Depreciation

Depreciation on assets has been provided on straight-line basis in the manner prescribed under Schedule II to the Companies Act, 2013.

e) Amortization:

Toll Collection rights represent the right to collect toll revenue during the concession period in respect of Design-Build-Finance-Operate-Transfer (DBFOT) project undertaken by the Company. Toll collection rights are amortised over the Concession period in the manner prescribed under Schedule II to the Companies Act, 2013.

f) Government Grants:

Where government grants are received against the intangible assets, the grant received has been reduced from the gross value of the intangible asset under development in accordance with Ind AS 38.

g) Borrowing Costs:

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

For the period till commercial operations date, returns arising from surplus funds inextricably linked with the project, invested intermittently, are set-off against related borrowing cost.

h) Investments:

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

i) Earnings per Share:

Basic and Diluted Earnings per Share (EPS) is reported in accordance with Indian Accounting Standard (Ind AS) – 33, "Earnings per Share", issued by the Institute of Chartered Accountants of India and specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity Shares outstanding during the year.

j) Employee Benefits:

Provisions for/contributions to retirement benefit schemes are made as follow as per Indian Accounting Standard (Ind AS) – 19, "Employee Benefits:

- i. Provident fund on actual liability basis
- ii. Gratuity based on actuarial valuation
- iii. Leave encashment benefit on retirement on actuarial valuation basis.



HKR Roadways Limited
Summary of Significant Accounting Policies and Other Explanatory Information

2.1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Provisions and Contingent Liabilities:

- a. Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if:
 - i) The Company has a present obligation as a result of a past event;
 - ii) Probable outflow of resources is expected to settle the obligation; and
 - iii) The amount of the obligation can be reliably estimated.
- b. 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.
- c. Contingent Liability is disclosed in the case of
 - i) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation
 - ii) A present obligation when no reliable estimate is possible, and
 - iii) A possible obligation arising from past events where the probability of outflow of resources is not remote.
- d. Contingent Assets are neither recognized, nor disclosed.
- e. Provisions, Contingent Liabilities, and Contingent Assets are reviewed at each Balance Sheet date.

Maintenance Obligations: Contractual obligations to maintain, replace or restore the infrastructure (principally resurfacing costs and major repairs and unscheduled maintenance which are required to maintain the carriageway in operational condition except for any enhancement element) are recognized and measured at the expenditure required to settle the present obligation at the balance sheet date. The provision for the resurfacing is accounted for in accordance with the provisions of Indian Accounting Standard (Ind AS 37) "Provisions, Contingent Liabilities and Contingent Assets."

l) Claims:

- 1 Company's claims against the Concessional Authority for additional scope of work, utility shifting etc. are accounted for as and when received.
- 2 Contractor's claims regarding additional scope of work, utility shifting etc. are accounted for when related claims of the Company are received from the Concessional Authority.
- 3 Other claims against/by the company are accounted for as and when accepted.

m) Taxes:

Tax on income for the current year is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax is recognized on timing differences between the accounting income and the taxable income for the year, and qualified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred Tax Assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

n) Impairment of Assets:

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

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

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

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

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

o) Pre-operative Expenditure:

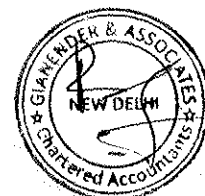
Incidental expenditure incurred during construction period towards "Concessionaire Asset" is capitalised on completion of construction and obtaining related COI.

p) Foreign currency transactions and derivatives

a) The reporting currency of the company is the Indian Rupee.

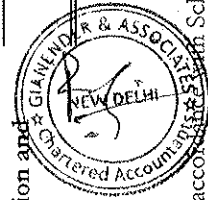
b) Foreign currency transactions are recorded on initial recognition in the foreign currency, using the exchange rate on the date of the transaction.

c) At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of monetary items at the closing rate are adjusted in pre-operative expenses.



HKR Roadways Limited
Summary of Significant Accounting Policies and Other Explanatory Information
 (All amounts in ₹ unless otherwise stated)

3 Property, plant and equipment	Furniture and				Plant and		Total
	Fixtures	Office Equipment	Computers	Vehicles	Machinery		
Year ended 31st March 2016							
Gross carrying amount	3,65,157	9,00,700	4,97,065	33,04,863	-	-	50,67,785
Deemed cost as at 1st April 2015	85,620	-	7,000	12,48,838	29,23,428	-	42,64,886
Additions	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Closing gross carrying amount	4,50,777	9,00,700	5,04,065	45,53,701	29,23,428	-	93,32,671
Accumulated depreciation							
Depreciation charge during the year	1,60,922	3,10,813	4,32,071	8,70,596	-	-	17,74,402
Depreciation charge during the year	35,123	1,33,303	57,302	5,57,104	1,12,388	-	8,95,220
Closing accumulated depreciation	1,96,045	4,44,116	4,89,373	14,27,700	1,12,388	-	26,69,622
Net carrying amount	2,54,732	4,56,584	14,692	31,26,001	28,11,040	-	66,63,049
Year ended 31st March 2017							
Gross carrying amount	4,50,777	9,00,700	5,04,065	45,53,701	29,23,428	-	93,32,671
Opening gross carrying amount	-	21,200	-	-	12,57,582	-	12,78,782
Additions	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Closing gross carrying amount	4,50,777	9,21,900	5,04,065	45,53,701	41,81,010	-	1,06,11,453
Accumulated depreciation and impairment							
Opening accumulated depreciation	1,96,045	4,44,116	4,89,373	14,27,700	1,12,388	-	26,69,622
Depreciation charge during the year	35,744	96,660	10,113	5,89,773	1,99,078	-	9,31,368
Impairment loss	-	-	-	-	-	-	-
Closing accumulated depreciation and impairment	2,31,789	5,40,776	4,99,486	20,17,473	3,11,466	-	36,00,990
Net Carrying Amount	2,18,988	3,81,124	4,579	25,36,228	38,69,544	-	70,10,463



Depreciation has been charged in accordance with the provisions of Schedule II of the Companies Act 2013.
 Note No. 13 specifies the charge on the assets of the company against the borrowed funds.

HKR Roadways Limited**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

4 Intangible Assets

	Development Costs	Intangible assets under development
	INR	INR
Year ended 31 March 2016		
Gross carrying amount		
Opening Gross Carrying Amount	14,43,79,19,497	17,42,661
Additions- being internally developed	-	15,40,21,510
Disposals	-	-
Closing gross carrying amount	14,43,79,19,497	15,57,64,171
Year ended 31 March 2017		
Additions- being internally developed	-	4,65,34,183
Disposals	-	-
Closing gross carrying amount	14,43,79,19,497	20,22,98,354
Amortization and Impairment		
As at 1 April 2015	7,63,59,619	-
Amortization	10,62,96,931	-
As at 31 March 2016	18,26,56,550	-
Amortization	13,51,33,898	-
Impairment	-	-
As at 31 March 2017	31,77,90,448	-
Net Book Value		
At 31 March 2017	14,12,01,29,049	20,22,98,354
At 31 March 2016	14,25,52,62,947	15,57,64,171
At 1 April 2015	14,36,15,59,878	17,42,661



HKR Roadways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

4 Intangible Assets (Continued)

	31 March 2017	31 March 2016	1 April 2015
	INR	INR	INR
Development Costs	14,12,01,29,049	14,25,52,62,947	14,36,15,59,878
Intangible assets under development	20,22,98,354	15,57,64,171	17,42,661
Total	14,32,24,27,403	14,41,10,27,118	14,36,33,02,539

Intangible assets under development

Intangible assets under development are in the nature of carriageways. Carriageways related to toll based road projects are amortized based on proportion of actual revenue received during the accounting year to the total projected revenue till the end of the concession period in terms of MCA notification dated April 17, 2012 and in terms of the amendments to the Schedule II of the Act vide MCA notification dated March 31, 2014. The total projected revenue for the entire useful life is reviewed at the end of each financial year for expected changes in traffic and adjusted to reflect any changes in the estimate which will lead to actual collection at the end of useful life.

5 Loans (Considered good unless otherwise stated)

	31-Mar-17	31-Mar-16	01-Apr-15
	INR	INR	INR
Non-Current			
Unsecured, considered good			
Loan to related party			
Loan to parent company			
- Capital Advances/Advances- Gayatri Projects Ltd.	22,55,04,270	25,05,34,085	-
Total	22,55,04,270	25,05,34,085	-
Current			
Loan to parent company			
- Capital Advances/Advances- Gayatri Projects Ltd.	-	18,95,959	18,95,959
- Megha Engg. & Infrastructures Ltd.	-	-	53,312
Total	-	18,95,959	19,49,271

6 Income Tax Receivable

	31-Mar-17	31-Mar-16	01-Apr-15
	INR	INR	INR
Income Tax Receivable	61,77,516	53,28,617	5,47,55,929
Total	61,77,516	53,28,617	5,47,55,929



HKR Roadways Limited**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

7 Other non-current assets

	31-Mar-17	31-Mar-16	01-Apr-15
	INR	INR	INR
Fixed Deposits with original maturity of more than 12 months	51,52,06,914	93,75,57,106	85,00,00,000
Total	51,52,06,914	93,75,57,106	85,00,00,000

Canara bank is the lead bank for the company. The fixed deposit is a security against the borrowings based on the agreement. Rate of interest is 7.05% p.a. with maturity on 10th July 2017 and the same can be renewed subsequently.

8 Cash and cash equivalents

	31 March 2017	31 March 2016	1 April 2015
	INR	INR	INR
Balances with banks			
- on current accounts	5,54,28,857	1,81,37,938	93,04,94,297
Cash on hand	27,43,227	33,53,206	70,72,832
	5,81,72,084	2,14,91,144	93,75,67,129

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

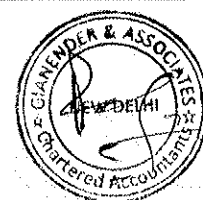
	31 March 2017	31 March 2016	1 April 2015
	INR	INR	INR
Balances with banks			
- on current accounts	5,54,28,857	1,81,37,938	93,04,94,297
Cash on hand	27,43,227	33,53,206	70,72,832
	5,81,72,084	2,14,91,144	93,75,67,129

9 Other Current Assets

	31 March 2017	31 March 2016	1 April 2015
	INR	INR	INR
APRDC-Retention Money	6,31,816	6,31,816	6,31,816
Accrued Interest on Fixed Deposit	2,99,27,095	7,30,73,217	7,66,86,303
Accrued Interest on Deposit at Electricity Dept.	47,061	-	-
	3,06,05,972	7,37,05,033	7,73,18,119

10 Prepayments

	31 March 2017	31 March 2016	1 April 2015
	INR	INR	INR
Prepaid Expenses	21,81,441	34,96,027	34,95,824
Rental Deposit	55,500	55,500	55,500
Other Advances	30,17,171	28,57,410	9,71,223
	52,54,112	64,08,937	45,22,547



HKR Roadways Limited
Summary of Significant Accounting Policies and Other Explanatory Information
(All amounts in ₹ unless otherwise stated)

11 Share capital

a. Authorized Share Capital

	Equity Shares	
	Number	INR
At 1 April 2015	50,00,000	5,00,00,000
Increase during the year	-	-
At 31 March 2016	50,00,000	5,00,00,000
Increase/(decrease) during the year	-	-
At 31 March 2017	50,00,000	5,00,00,000

Terms/Rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The rights and preferences of each shareholder are in accordance with the Shareholders' Agreement dated 14th February 2011.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. During the year ended 31st March 2017, no dividend is declared by Board of Directors. (Previous year - Nil)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts in the proportion to the number of equity shares held by the shareholders.

b. Issued Equity Share Capital

Equity shares of Rs.10 each issued, subscribed and fully paid up	Number	INR
At 1 April 2015	46,42,289	4,64,22,890
Changes during the period	-	-
At 31 March 2016	46,42,289	4,64,22,890
Changes during the period	-	-
At 31 March 2017	46,42,289	4,64,22,890

c. Equity Shares held by the Holding Company and the Ultimate Holding Company and /or their subsidiaries/associates-Nil

d. Details of shareholders holding more than 5% shares in the Company

	31 March 2017		31 March 2016		1 April 2015	
	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding
Gayatri Projects Limited	12,06,995	26.00%	12,06,995	26.00%	12,06,995	26.00%
Gayatri Infra Ventures Limited	5,10,647	11.00%	5,10,647	11.00%	5,10,647	11.00%
Megha Engineering & Infrastructures Limited	17,17,647	37.00%	17,17,647	37.00%	17,17,647	37.00%
DLF & its Associates	12,06,995	26.00%	12,06,995	26.00%	12,06,995	26.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e. Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31.03.2017		As at 31.03.2016	
	No.	Rs.	No.	Rs.
At the beginning of the year	46,42,289	4,64,22,890	46,42,289	4,64,22,890
Issued during the year	-	-	-	-
Outstanding at the end of the year	46,42,289	4,64,22,890	46,42,289	4,64,22,890



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12 Other equity

	As at		
	31 March 2017	31 March 2016	1 April 2015
Retained earnings			
Balance as per last audited financial statements	(1,21,04,46,217)	(57,72,85,684)	2,08,09,823
Add: Net loss for the year	(76,74,78,383)	(63,31,60,533)	(59,80,95,507)
Add: Other comprehensive income	-	-	-
Balance at the end of the year	(1,97,79,24,600)	(1,21,04,46,217)	(57,72,85,684)

13 Borrowings

	As at		
	31 March 2017	31 March 2016	1 April 2015
	INR	INR	INR
Non-current borrowings			
Term loans			
From banks			
Andhra Bank (secured)	1,31,47,95,000	1,34,71,95,000	1,37,23,95,000
Canara Bank (secured)	2,73,92,85,000	2,80,67,85,000	2,85,92,85,000
Corporation Bank (secured)	1,82,61,57,000	1,87,11,57,000	1,77,35,57,000
Dena Bank (secured)	91,33,28,000	93,58,28,000	95,33,28,000
Oriental Bank of Commerce (secured)	1,82,61,57,000	1,87,11,57,000	1,90,61,57,000
Indian Overseas Bank (secured)	1,82,61,57,000	1,87,11,57,000	1,90,61,57,000
Indian Bank (secured)	91,33,28,000	93,58,28,000	88,70,28,000
United Bank of India (secured)	91,33,28,000	93,58,28,000	95,33,28,000
	12,27,25,35,000	12,57,49,35,000	12,61,12,35,000
From others			
Senior Debt-			
India Infrastructure Finance Company Ltd.(secured)	1,65,27,20,000	1,69,34,45,000	1,72,51,20,000
	1,65,27,20,000	1,69,34,45,000	1,72,51,20,000
From related parties			
Gayatri Infra Ventures Ltd. (unsecured)	67,91,37,309	67,91,37,309	67,91,37,309
Gayatri Projects Ltd. (unsecured)	44,76,51,246	44,76,51,246	44,76,51,246
Megha Engineering and Infrastructures Ltd. (unsecured)	1,12,67,88,555	1,12,67,88,555	1,12,67,88,555
	2,25,35,77,110	2,25,35,77,110	2,25,35,77,110
Total non-current borrowings	16,17,88,32,110	16,52,19,57,110	16,58,99,32,110
Current borrowings			
Short term loans and advances			
From banks			
Andhra Bank (secured)	3,96,00,000	2,52,00,000	1,44,00,000
Canara Bank (secured)	8,25,00,000	5,25,00,000	3,00,00,000
Corporation Bank (secured)	5,50,00,000	3,50,00,000	2,00,00,000
Dena Bank (secured)	2,75,00,000	1,75,00,000	1,00,00,000
Oriental Bank of Commerce (secured)	5,50,00,000	3,50,00,000	2,00,00,000
Indian Overseas Bank (secured)	5,50,00,000	3,50,00,000	2,00,00,000
Indian Bank (secured)	2,75,00,000	1,75,00,000	1,00,00,000
United Bank of India (secured)	2,75,00,000	1,75,00,000	1,00,00,000
	36,96,00,000	23,52,00,000	13,44,00,000
From others			
Senior Debt-			
India Infrastructure Finance Company Ltd.(secured)	4,97,75,000	3,16,75,000	1,81,00,000
	4,97,75,000	3,16,75,000	1,81,00,000
Total Current borrowings	41,93,75,000	26,68,75,000	15,25,00,000
Total Borrowings	16,59,82,07,110	16,78,88,32,110	16,74,24,32,110



HKR Roadways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

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13 Borrowings (Continued)

Secured loans

a. The Debt from banks and others, amounting to Rs. 1,525,00,00,000/-, is repayable in 47 unequal quarterly installments, commencing from 30th June 2015, as per repayment schedule, as set out in the Common Loan Agreement (including amendments thereto).

b. Any Lender may, in suitable circumstances, at the request of the company and with the consent of other Lenders revise or vary the Repayment Schedule or postpone the payment of any specified repayment installment(s) or part thereof, upon such terms and conditions as are specified by such Lender.

c. If for any reason the amount finally disbursed by the lenders is less than the total commitments, the repayment installments shall stand reduced proportionately but shall paid on the repayment dates as set out in the repayment schedule.

d. The Company can avail the voluntary prepayment option by complying the requirement as set out in Common Loan Agreement (including amendments thereto).

Unsecured loans

a. The Company shall repay the principal amount of Zero interest subordinate loan obtained from the Shareholders, after the Term Loans will be repaid in full.

b. The Company can repay any unsecured debt including unsecured loan from sponsors except those already envisaged in financial plan, if any, with prior approval of the lenders, which shall not be unreasonably withheld by the lenders in case of adequacy of cash flow to serve debt obligation.

Loan Covenants

Term Loans from banks and others are secured by first Pari-passu charge without any Lender having Priority/preference over the other.

i) The Security for the facility shall be created in favour of the Security Trustee for the benefit of the Lenders

ii) First charge by way of hypothecation of

a. all movables, tangible and intangible assets other than the project assets as defined in concession Agreement.

b. All monies including toll receipts to the credit of the Escrow Account in accordance with the Concession Agreement.

c. Assignment of rights, title and interest to or in

d. All rights, title, interest, benefits, claims and demands of the Borrower under Project documents subject to and in accordance with the provisions of Concession Agreement.

e. Escrow account to be named as loss payees in the Insurance policies, subject to compliance with the provisions of Concession Agreement.

f. Pledge of 51% of share capital in the Borrower company held by the Sponsors

g. Charge on 2(two) quarters Debt Service Reserve Account (DSRA) or equivalent Bank Guarantee in lieu of DSRA.

Loan from related parties

Loan from related parties would be repaid after the repayment of loans taken from banks and financial institutions

Effective rate of interest

Rate of interest applicable would be base rate+2%. Base rate would be the rate as stated by Canara Bank based on the market fluctuations and trends.

Period and Amounts of continuing defaults as on Balance Sheet Date

The Company has defaulted in payment of interest to the Banks and Financial Institutions amounting to Rs. 25,23,31,515/- ranging from 31 to 90 days.

14 Provisions

	Gratuity
	INR
At 1 April 2015	7,41,548
Provision for employee benefits	4,31,065
At 31 March 2016	11,72,613
Current	28,773
Non-Current	11,43,840
Provision for employee benefits	99,665
At 31 March 2017	12,72,278
Current	29,898
Non-Current	12,42,380

Provision for gratuity is made on actuarial basis. The company does not have any policy for compensated absences.



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Summary of Significant Accounting Policies and Other Explanatory Information
(All amounts in ₹ unless otherwise stated)

15 Other financial liabilities

	As at		
	31 March 2017	31 March 2016	1 April 2015
	INR	INR	INR
Interest accrued and due on borrowings (A)	39,43,50,649	-	1,68,861
	39,43,50,649	-	1,68,861
Interest accrued and due on borrowings at the beginning of the year (B)	-	1,68,861	
Interest accrued during the year (C)	1,71,72,42,066	1,73,90,66,502	
Interest paid during the year [(B)+(C)-(A)]	1,32,28,91,417	1,73,92,35,363	

16 Other Current Liabilities

	As at		
	31 March 2017	31 March 2016	1 April 2015
Statutory Liabilities			
TDS payable	10,62,301	8,93,518	28,80,555
Professional tax payable	3,400	3,400	2,750
Works contract tax payable	4,04,743	11,19,623	10,68,211
Service tax payable	-	-	40,788
EPC bills payable	1,52,92,867	1,19,71,818	-
Special retention money	53,50,600	35,06,704	1,30,72,555
Retention money	3,71,77,852	2,95,56,109	2,74,03,600
Utility shifting expenses payable	75,14,669	75,14,669	1,85,74,012
Audit fee payable	4,43,818	4,97,868	4,33,658
Salaries payable	9,30,845	11,49,061	10,61,789
Independent consultant fee	2,20,15,963	1,79,00,676	88,70,000
Consultation charges payable	2,05,952	2,09,000	2,04,720
Legal and professional fees	2,45,664	2,45,664	2,61,018
Other payables	1,73,81,733	1,40,61,542	63,55,536
Total	10,80,30,407	8,86,29,652	8,02,29,192



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(All amounts in ₹ unless otherwise stated)

17 Revenue from operations

	31 March 2017	31 March 2016
	INR	INR
Revenue from sale of services		
- Toll operations	1,14,07,59,080	1,20,39,48,347
	<u>1,14,07,59,080</u>	<u>1,20,39,48,347</u>

Revenue from toll operations is exempted from service tax. Therefore, the revenue earned during the financial year ended 31st March 2017 and 31st March 2016 is excluding service tax.

18 Other income

	31 March 2017	31 March 2016
	INR	INR
Interest on income tax refund	43,740	23,74,906
Other income	52,290	1,26,000
	<u>96,030</u>	<u>25,00,906</u>

19 Finance Income

	31 March 2017	31 March 2016
	INR	INR
Interest on Fixed Deposits	6,15,05,085	8,48,62,649
Income from Mutual Funds	12,13,403	2,42,44,453
	<u>6,27,18,488</u>	<u>10,91,07,102</u>

20 Employee benefits expense

	31 March 2017	31 March 2016
	INR	INR
Salaries and wages	56,77,605	53,73,121
Gratuity	99,665	4,31,065
	<u>57,77,270</u>	<u>58,04,186</u>

Provision for Gratuity is made on actuarial basis as summarized below. The Company does not have any policy for Compensated Absences.

Changes in present value of defined benefit obligation as at 31st March 2017

	For the year ended	
	31 March 2017	31 March 2016
Defined Benefit Obligation		
Opening defined benefit obligation	11,72,613	7,41,548
Service Cost	82,415	76,911
Net interest expense	93,809	59,324
Net actuarial (gain)/loss recognized during the year	(76,559)	2,94,830
Benefits paid	-	-
Closing defined benefit obligation	12,72,278	11,72,613

Principal Actuarial Assumptions

	For the year ended	
	31 March 2017	31 March 2016
Average Salary Growth Rate	4.00%	4.00%
Attrition Rate	3.00%	3.00%
Mortality Rate	IJC (2006-08)	IJC (2006-08)



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21 Finance Cost

	31 March 2017	31 March 2016
	INR	INR
Interest on term loans	1,71,49,50,566	1,73,90,66,502
Credit Rating Fee	3,45,000	-
Security Trustee Fee	2,29,000	-
Lender Agent Fee	17,17,500	-
	1,71,72,42,066	1,73,90,66,502

22 Other expenses

	31 March 2017	31 March 2016
	INR	INR
Direct expenses:		
Toll operation expenses	7,21,08,529	6,86,64,946
Power and fuel	1,29,05,089	1,20,66,968
Insurance	7,25,378	6,80,861
Cash handling charges	26,99,904	29,43,006
Printing and stationery	-	618
Communication expenses	-	1,460
Business development expenses	3,50,000	10,000
Repairs expense	39,59,674	42,51,407
Plantation expense	63,44,360	59,71,863
Lenders' Independent Engineer (LIE) Fee	32,42,000	11,89,321
Independent Consultant (IC) Fee	41,15,287	-
Other O&M expenses	16,71,056	-
Indirect expenses:		
Bank charges	21,748	34,739
Communication expenses	2,355	2,485
Travelling and conveyance	20,697	64,340
Rates and taxes	29,755	37,276
Office maintenance	5,20,252	2,00,689
Computer maintenance	17,800	750
Sitting fees	40,000	15,000
Payments to the auditor	4,58,870	5,18,320
Professional charges	27,34,625	-
	11,19,67,379	9,66,54,049

Payments to the auditor

	31 March 2017	31 March 2016
As auditor		
Audit fees (inclusive of service tax)	4,02,500	4,60,820
Tax audit fees (inclusive of service tax)	57,500	57,500
In other capacity		
Other services	29,611	73,994
Total	4,89,611	5,92,314

23 Earnings per share

Basic and diluted earnings per share are calculated as per Accounting Standard 20 "Earnings per Share" issued by the Institute of Chartered Accountants of India.

	For the year ended	
	31 March 2017	31 March 2016
Net Profit/(loss) after tax attributable to equity shareholders (A)	(76,74,78,383)	(63,31,60,533)
Weighted average number of equity shares outstanding (B)	46,42,289	46,42,289
Basic and Diluted Earnings (Loss) per share [(A)/(B)]	(165.32)	(136.39)



HKR Roadways Limited**Summary of Significant Accounting Policies and Other Explanatory Information**

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24 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year have been analysed. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

25 Contingent Liabilities and Capital Commitments**a) Capital Commitments**

Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances):

Towards EPC Cost Rs. 1,525,108,606 (Previous year Rs.1,654,162,449)
Towards Toll Management Systems Rs. 8,661,947 (Previous Year Rs. 11,506,892)
Towards Toll Plaza works Rs. 54,117,170 (Previous Year Rs. 54,117,170)

b) Contingent Liabilities:

Claims against the company / disputed liabilities not acknowledged as debts – Nil (Previous Year - Nil)

26 Related Party Disclosures**a. Name of related parties and nature of relationship**

<u>Names of the related parties</u>	<u>Nature of relationship</u>
Entities having substantial interest/significant influence	
Gayatri Projects Ltd.	Holding 26% equity shares and voting rights; enterprise in which the KMP have significant influence
Megha Engineering & Infrastructures Ltd.	Holding 37% equity
Balaji Highways Holding Pvt. Ltd.	Holding 26% equity shares and voting rights
Other related parties	
Gayatri Infra Ventures Limited	Enterprise in which the KMP have significant influence
T.V Sandeep Kumar Reddy	KMP
T. Subbarami Reddy	Relative of KMP
T. Indira Reddy	Relative of KMP

b. Transactions with related parties

	<u>For the year ended</u>	
	<u>31 March 2017</u>	<u>31 March 2016</u>
Megha Engineering & Infrastructures Ltd.-EPC Work	15,24,34,870	4,85,79,728
Gayatri Projects Ltd.-EPC Work	15,52,108	20,15,08,987
Gayatri Projects Ltd.-EPC Advance	-	25,00,00,000
Gayatri Projects Ltd.- Utilities shifting and change of scope	-	23,44,457

c. Balances receivable/(payable)

	<u>For the year ended</u>	
	<u>31 March 2017</u>	<u>31 March 2016</u>
Unsecured loan from Megha Engineering & Infrastructures Ltd.	(1,12,67,88,555)	(1,12,67,88,555)
Payable to Megha Engineering & Infrastructures Ltd. for EPC Work	(1,52,92,867)	(1,19,71,818)
Retention Money payable to Megha Engineering & Infrastructures Ltd.	(3,71,77,852)	(2,95,56,109)
Utilities shifting and change of scope payable to Megha Engineering & Infrastructures Ltd.	(75,14,669)	(75,14,669)
Unsecured loan from Gayatri Projects Ltd.	(44,76,51,246)	(44,76,51,246)
EPC Advance paid to Gayatri Projects Ltd.	22,55,04,270	25,05,34,085
Advance paid to Gayatri Projects Ltd. for utility shifting	-	18,95,959
Zero-Interest Sub-ordinate Loan from Gayatri Infra Ventures Limited	(67,91,37,309)	(67,91,37,309)
Re-imbursment of expenses receivable from Gayatri Infra Ventures Limited	2,09,600	2,09,600



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27 Fair value of Financial asset and liabilities at amortized cost

	As at		
	31 March 2017	31 March 2016	1 April 2015
Financial assets			
- Cash and cash equivalents	5,81,72,084	2,14,91,144	93,75,67,129
- Loans	-	18,95,959	19,49,271
Total	5,81,72,084	2,33,87,103	93,95,16,400
Financial liabilities			
Borrowings-Long term	16,17,88,32,110	16,52,19,57,110	16,58,99,32,110
Borrowings-Short term	41,93,75,000	26,68,75,000	15,25,00,000
Other Financial Liabilities	39,43,50,649	-	1,68,861
Total	16,99,25,57,759	16,78,88,32,110	16,74,26,00,971

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

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

28 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

29 First-time adoption of Ind AS

These financial statements for the year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with April 1, 2015 as the transition date and IGAAP as the previous GAAP. The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 2.1 have been applied in preparing the financial statements for year ended March 31, 2017 and the comparative information.

30 Fair Values

The management assessed that cash and cash equivalents, trade receivables, current loans, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments or as they carry market rate of interest.

31 Financial risk management objectives and policies

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 analyze 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.

a) Market Risk

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

b) Interest rate risk

The company is exposed to interest rate risk because it borrows funds primarily at floating interest rates. However, the interest rates are dependant on base rates/prime lending rates of the lead bank which are not expected to change very frequently and the estimate of the management is that these will not have significant upward trend.

c) Credit risk

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



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32 Ind AS Reconciliations

a) Reconciliation of equity as at 1 April 2015 (date of transition to Ind AS)

	Previous GAAP	Adjustments	Ind AS
Assets			
Non-current assets			
Property, plant and equipment	32,93,383	-	32,93,383
Intangible Assets	18,38,29,90,964	(4,02,14,31,086)	14,36,15,59,878
Intangible Assets under development	17,42,661	-	17,42,661
Financial assets			
- Investments	-	-	-
- Loans	5,47,55,929	(5,47,55,929)	-
Income tax assets, net	-	5,47,55,929	5,47,55,929
Other non-current assets	85,00,00,000	-	85,00,00,000
	<u>19,29,27,82,937</u>	<u>(4,02,14,31,086)</u>	<u>15,27,13,51,851</u>
Current assets			
Financial Assets			
- Investments	-	-	-
- Trade receivables	-	-	-
- Cash and cash equivalents	93,75,67,129	-	93,75,67,129
- Loans	8,31,58,121	(8,12,08,850)	19,49,271
Other current assets	6,31,816	7,66,86,303	7,73,18,119
Prepayments	-	45,22,547	45,22,547
	<u>1,02,13,57,066</u>	<u>-</u>	<u>1,02,13,57,066</u>
Total assets	<u>20,31,41,40,003</u>	<u>(4,02,14,31,086)</u>	<u>16,29,27,08,917</u>
Equity and liabilities			
Equity			
Equity share capital	4,64,22,890	-	4,64,22,890
Other equity	3,44,41,45,402	(4,02,14,31,086)	(57,72,85,684)
Total Equity	<u>3,49,05,68,292</u>	<u>(4,02,14,31,086)</u>	<u>(53,08,62,794)</u>
Non-current Liabilities			
Financial liabilities			
- Borrowings	16,58,99,32,110	-	16,58,99,32,110
Long term provisions	7,41,548	-	7,41,548
	<u>16,59,06,73,658</u>	<u>-</u>	<u>16,59,06,73,658</u>
Current liabilities			
Financial liabilities			
-Borrowings	-	15,25,00,000	15,25,00,000
-Other financial liabilities	-	1,68,861	1,68,861
Provisions	-	-	-
Other current liabilities	23,28,98,053	(15,26,68,861)	8,02,29,192
Total liabilities	<u>23,28,98,053</u>	<u>-</u>	<u>23,28,98,053</u>
Total equity and liabilities	<u>20,31,41,40,003</u>	<u>(4,02,14,31,086)</u>	<u>16,29,27,08,917</u>



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(All amounts in ` unless otherwise stated)

32 Ind AS Reconciliations (continued)
b) Reconciliation of equity as at 31 March 2016

	Previous GAAP	Adjustments	Ind AS
Assets			
Non-current assets			
Property, plant and equipment	66,63,049	-	66,63,049
Intangible Assets	18,24,69,29,454	(3,99,16,66,507)	14,25,52,62,947
Intangible Assets under development	35,30,29,011	(19,72,64,840)	15,57,64,171
Financial assets	-	-	-
- Investments	-	-	-
- Loans	25,58,62,702	(53,28,617)	25,05,34,085
Income tax assets, net	-	53,28,617	53,28,617
Other non-current assets	93,75,57,106	-	93,75,57,106
	19,80,00,41,322	(4,18,89,31,347)	15,61,11,09,975
Current assets			
Financial Assets	-	-	-
- Investments	-	-	-
- Trade receivables	-	-	-
- Cash and cash equivalents	2,14,91,144	-	2,14,91,144
- Loans	8,13,78,113	(7,94,82,154)	18,95,959
Other current assets	6,31,816	7,30,73,217	7,37,05,033
Prepayments	-	64,08,937	64,08,937
	10,35,01,073	-	10,35,01,073
Total assets	19,90,35,42,395	(4,18,89,31,347)	15,71,46,11,048
Equity and liabilities			
Equity			
Equity share capital	4,64,22,890	-	4,64,22,890
Other equity	2,97,84,85,130	(4,18,89,31,347)	(1,21,04,46,217)
Total Equity	3,02,49,08,020	(4,18,89,31,347)	(1,16,40,23,327)
Non-current Liabilities			
Financial liabilities	-	-	-
- Borrowings	16,52,19,57,110	-	16,52,19,57,110
Long-term provisions	11,43,840	-	11,43,840
	16,52,31,00,950	-	16,52,31,00,950
Current liabilities			
Financial liabilities	-	-	-
-Borrowings	-	26,68,75,000	26,68,75,000
-Trade payables	-	-	-
-Other financial liabilities	-	-	-
Provisions	28,773	-	28,773
Other current liabilities	35,55,04,652	(26,68,75,000)	8,86,29,652
Total liabilities	35,55,33,425	-	35,55,33,425
Total equity and liabilities	19,90,35,42,395	(4,18,89,31,347)	15,71,46,11,048



32 Ind AS Reconciliations (continued)

c) Reconciliation of profit or loss for the year ended 31 March 2016

	Notes	Previous GAAP	Adjustments	Ind AS
Revenue from operations		1,20,39,48,347	-	1,20,39,48,347
Other income		11,16,08,008	(10,91,07,102)	25,00,906
Finance Income		-	10,91,07,102	10,91,07,102
Total income		1,31,55,56,355	-	1,31,55,56,355
Expenses				
Employee benefits expense		58,04,186	-	58,04,186
Finance costs		1,73,90,66,502	-	1,73,90,66,502
Operations and Maintenance expenses		9,57,80,450	(9,57,80,450)	-
Depreciation and amortization expense		13,69,56,730	(2,97,64,579)	10,71,92,151
Other expenses		8,73,599	9,57,80,450	9,66,54,049
Total expense		1,97,84,81,467	(2,97,64,579)	1,94,87,16,888
Profit before tax from continuing operations		(66,29,25,112)	2,97,64,579	(63,31,60,533)
(a) Current tax		-	-	-
Income tax expense		-	-	-
Profit for the year		-	-	(63,31,60,533)

33 Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	23,58,000	3,71,519	27,29,519
(+) Permitted receipts	2,88,63,500	6,98,77,370	9,87,40,870
(+) Withdrawal from Bank accounts		2,00,000	2,00,000
(-) Deposited in bank accounts	3,12,21,500	6,71,23,609	9,83,45,109
(-) Permitted payments		1,03,207	1,03,207
Closing cash in hand as on 30 December 2016	-	32,22,073	32,22,073

34 Segment reporting

Based on the Company's business model and considering the internal financial reporting to the management, the Company has identified only one reportable segment i.e. "construction, operations and maintenance of roads, highways and toll roads"

35 Comparatives

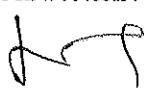
Previous year comparatives have been reclassified and regrouped wherever necessary, to confirm to current years' presentation.

36 Events after the reporting period

There are no significant events after the reporting period that substantially affect the financial position of the company.


See accompanying Notes are an integral part of the Financial Statements


As per our report of even date attached
For GIANENDER & ASSOCIATES
Chartered Accountants
FRN: 004661N


R.K. AGRAWAL
Partner
Membership. No. 085671



For and on behalf of the Board


P.V. KRISHNA REDDY
Director
DIN: 01815061


T.V. SANDEEP KUMAR REDDY
Director
DIN: 00005573

Place: New Delhi
Date: 23.05.2017

Place: Hyderabad
Date: 23.05.2017

Place: Hyderabad
Date: 23.05.2017

