

# **IVRCL Chandrapur Tollways Limited**

*“Regd Office : MIHIR, 8-2-350/5/A/24/1B, Road No. 2, Banjara Hills, Hyderabad - 500034  
TELANGANA”*

*CIN NO. U45203TG2010PLC070923*

*EMAIL ID: [BS\\_CS@IVRINFRA.COM](mailto:BS_CS@IVRINFRA.COM), TEL NO:040-30931376*

## **6<sup>th</sup> ANNUAL REPORT**

**Financial Year: 2015-16**

"Regd Office : MIHIR, 8-2-350/5/A/24/1B, Road No. 2, Banjara Hills, Hyderabad - 500034  
TELANGANA"

CIN NO. U45203TG2010PLC070923

EMAIL ID: [BS\\_CS@IVRINFRA.COM](mailto:BS_CS@IVRINFRA.COM), TEL NO:040-30931376

## **NOTICE TO SHAREHOLDERS**

Notice is hereby given that the Sixth Annual General Meeting of the members of M/s. **IVRCL Chandrapur Tollways Limited** will be held on Monday, the **September 12, 2016** at 10.00 A.M. at the Registered Office of the company at MIHIR, 8-2-350/5/A/24/1B, Road No.2, Banjara Hills, Hyderabad - 500034, Telangana, to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements for the year ended March 31, 2016, and the Reports of the Board of Directors and the Auditors attached thereto.
2. To appoint a Director in place of Mr. Rajesh Laxmikanth Mamidwar, (DIN: 02750012) who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify the appointment of Statutory Auditors & fix their remuneration

To consider and pass the following resolution with or without modifications as an Ordinary Resolution:

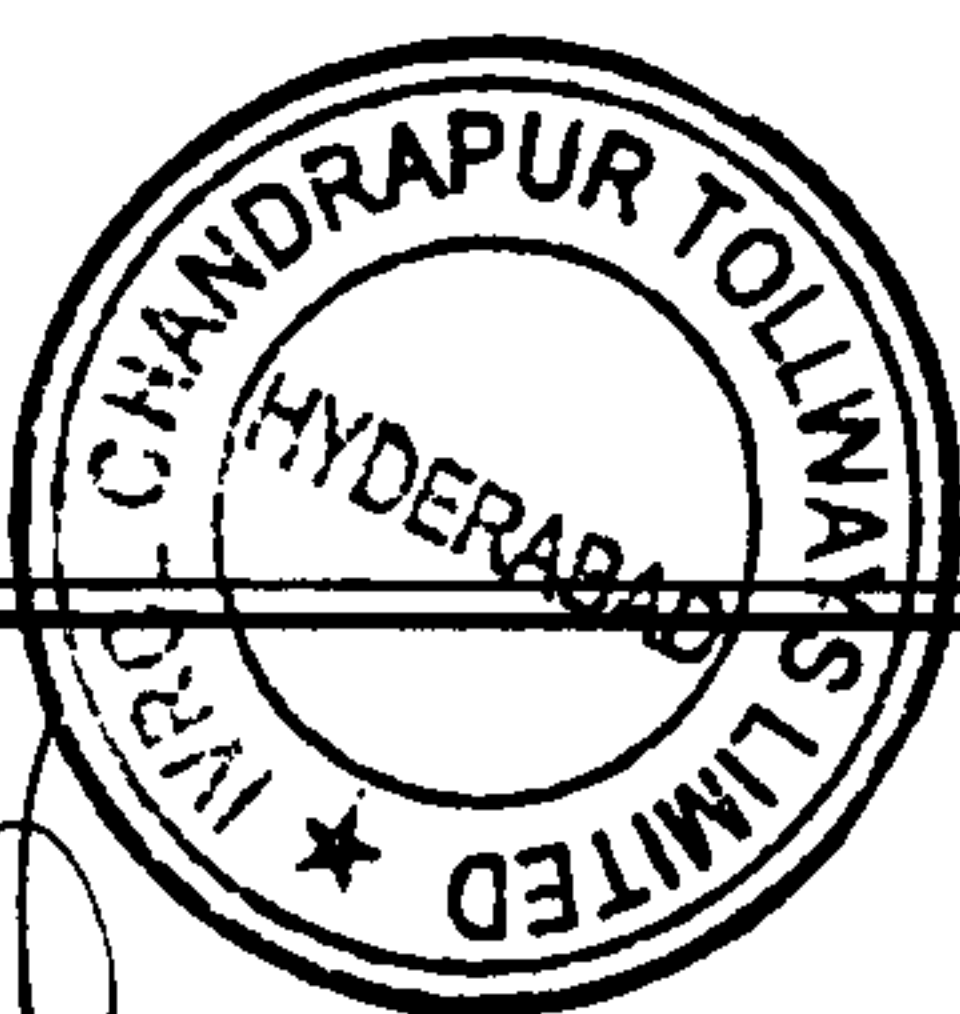
"**RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Audit and Auditors) Rules, 2014 ("Rules") (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby ratifies the appointment of M/s. Sawalkar & Bonde, Chartered Accountants bearing Registration No. 100475W, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company to be held in the year 2017."

### **SPECIAL BUSINESS:**

4. To approve the appointment of Mr. Nagendra Kumar Sadhu as Manager of the Company:

To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Ordinary Resolution:

"**RESOLVED** that pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), as amended or re-enacted from time to time, read with Schedule V to the Act, the Company hereby approves the appointment of Mr. Nagendra Kumar Sadhu as an Manager of the Company for a period of five years with effect from May 27, 2016 with nil remuneration on such terms and conditions as may be agreed to between the Board of Directors and Mr. Nagendra Kumar Sadhu."



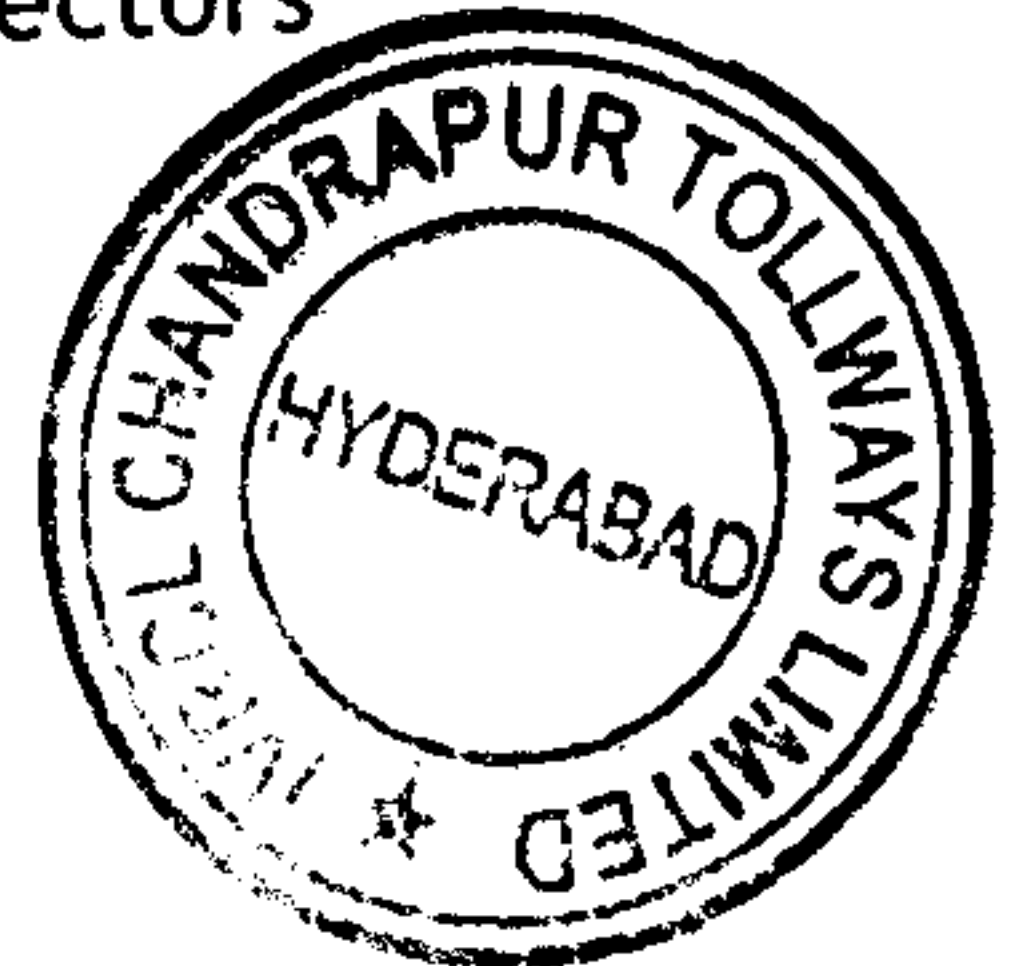
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“RESOLVED FURTHER that the Board or a Committee thereof be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

By order of the Board of Directors

Place: Hyderabad  
Date: May 27, 2016

Balaji Sethuraman  
Director  
DIN:06874683



**NOTES:**

1. A MEMBER IS ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. THE RELATIVE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“ACT”) IN RESPECT OF THE BUSINESS UNDER ITEM NO. 4 OF THE NOTICE, IS ANNEXED HERETO

**Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013**

**Item No. 4**

The Board of Directors appointed Mr. Nagendra Kumar Sadhu as Manager of the Company pursuant to Section 196 of the company with effect from May 27, 2016 as part of Key Managerial Personnel subject to the approval of the members of the company.

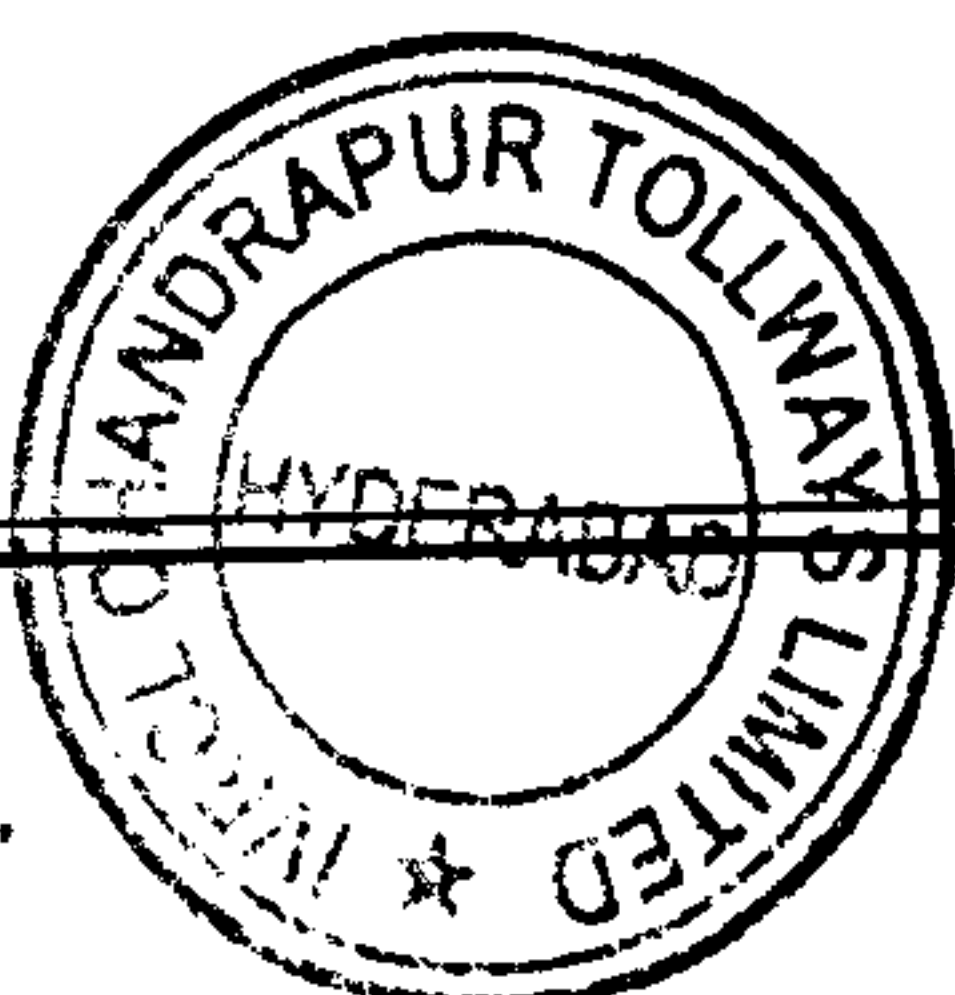
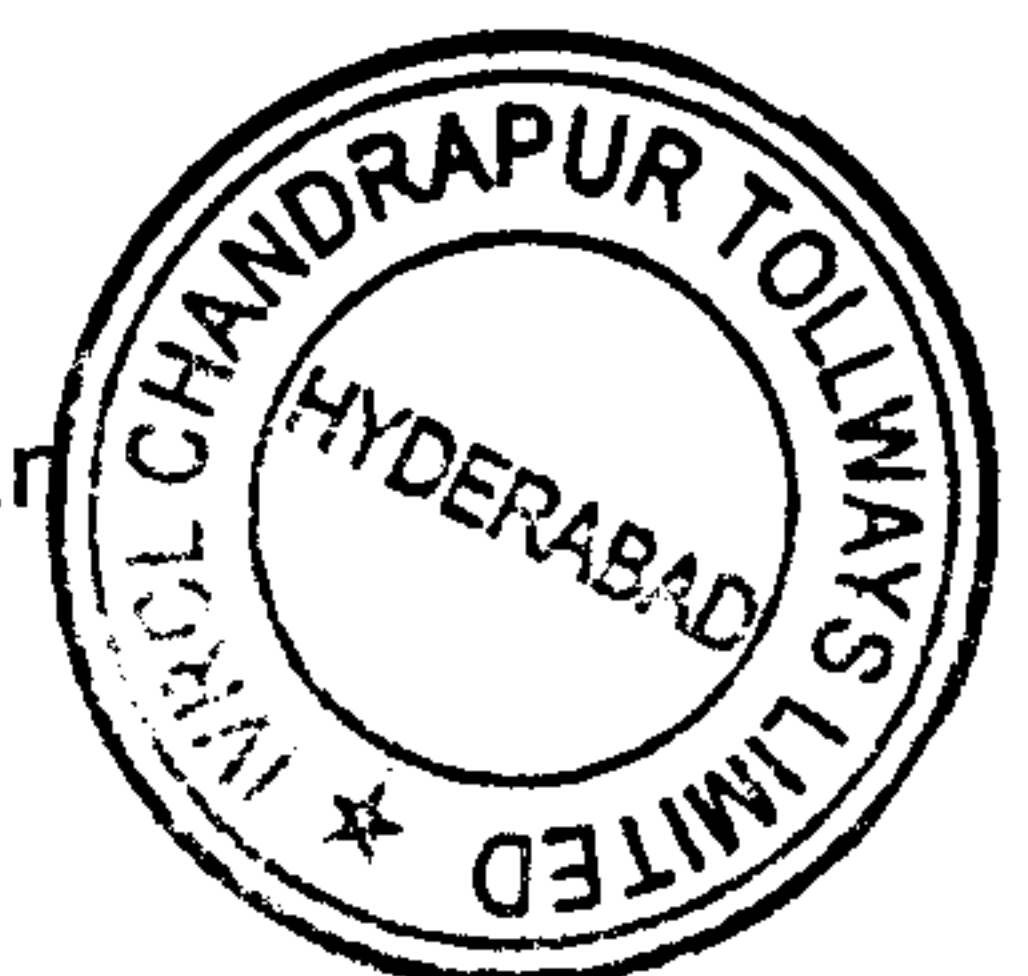
The Board commends the appointment of the Mr. Nagendra Kumar Sadhu as Manager of the company.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMPs except Mr. Nagendra Kumar Sadhu is concerned or interested in the resolutions at Item No. 4 of the Notice relating to his appointment.

By order of the Board of Directors

Place: Hyderabad  
Date: May 27, 2016

Balaji Sethuraman  
Director  
DIN:06874683



## DIRECTORS' REPORT

To  
The Members

Your Directors have pleasure in presenting the Sixth Annual Report together with the Audited accounts of the Company for the year ended March 31, 2016.

### *Review of operations:*

During the year ended March 31, 2016, the Highway project work has progressed well and the total Project Development Expenditure incurred till date amounted to INR 8,27,90,84,195.

As of date the Company availed a term loan of INR 313,78,27,361 out of total limit of INR 313,99,00,000 sanctioned by the Consortium Lenders.

As of date the Company availed a term loan (Priority Debt) of INR 65,49,82,000 out of total limit of INR 65,50,00,000 sanctioned by the Consortium Lenders as per restructuring agreement.

As of date the company availed Bridge loan against gap funding of pending grant from the Government of INR 39,57,36,000 out of INR 42,00,00,000 sanctioned by Bank of India & Indian Overseas Bank (Lenders) and repaid during the year of INR 26,54,83,277 from the Grant released by the Government as per restructuring agreement.

The Project is expected to achieve the Provisional Commercial operation date (PCOD) during the next financial year.

The Company has not commenced its commercial operations and hence the Statement of Profit & Loss for the year under review has not been prepared.

### *Dividend:*

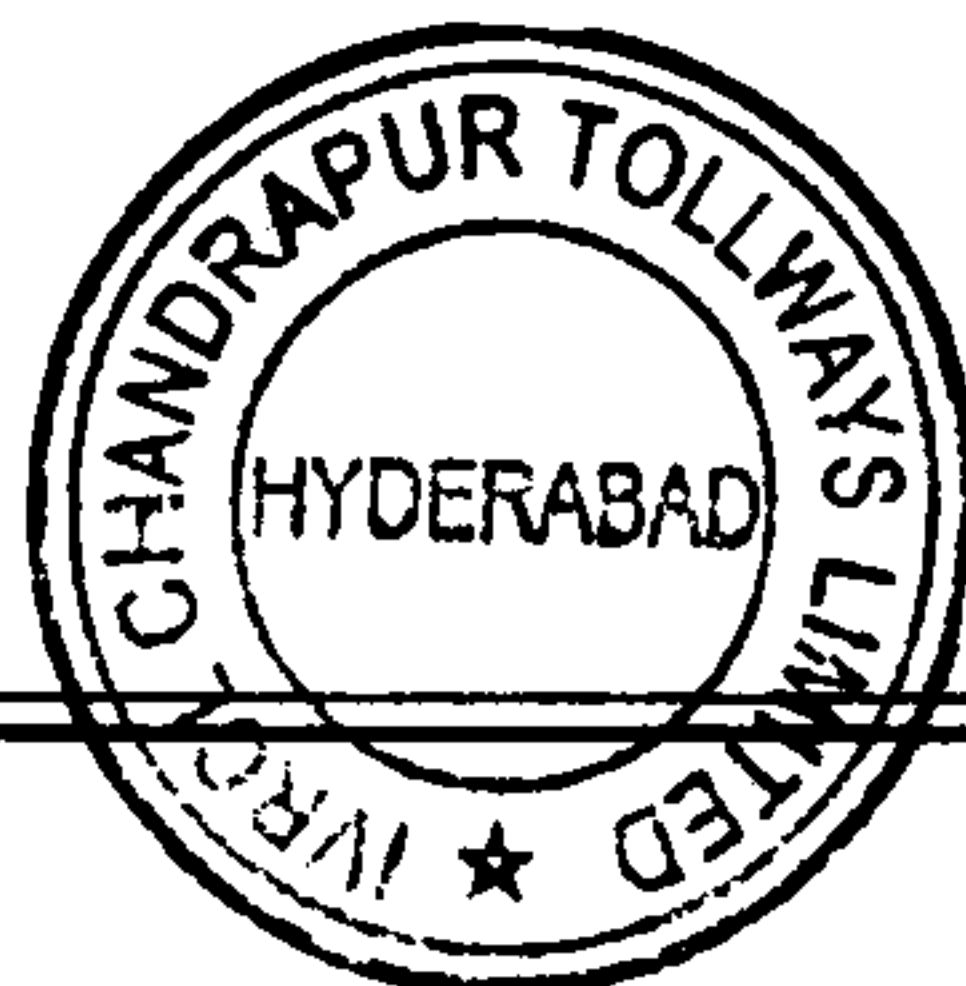
Your Directors regret their inability to recommend dividend on the equity share capital of the Company for the financial year ended March 31, 2016, as the company is yet to commence operations.

### *Changes in Share Capital:*

During the financial year 2015-16, The authorized share capital of the Company is INR 22,81,30,000 and The paid up share capital of the company is INR 22,81,30,000. There is no change in the Capital of the company.

### *Directors:*

In accordance with the provisions of Companies Act, 2013, read with Articles of Association of the Company, Mr. Rajesh Laxmikanth Mamidwar, Director, will retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.



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**a) Number of meetings of the board:**

Ten meetings of the board were held during the year on May 23, 2015; May 28, 2015; June 17, 2015; June 27, 2015; July 13, 2015; August 12, 2015; October 14, 2015; January 20, 2016 and March 01, 2016.

**b) Audit Committee:**

The company has constituted an audit committee comprising of the following directors:

Name	Status	Category
Smt. Hima Bindu Myneni	Member	Independent Director
Smt. Sree Chandana G.	Member	Independent Director
Mr. Balaji Sethuraman	Member	Non-executive Director

**c) Nomination and Remuneration Committee:**

The company has constituted a Nomination committee comprising of the following directors:

Name	Status	Category
Smt. Hima Bindu Myneni	Member	Independent Director
Smt. Sree Chandana G.	Member	Independent Director
Mr. Balaji Sethuraman	Member	Non-executive Director

**d) Risk management:**

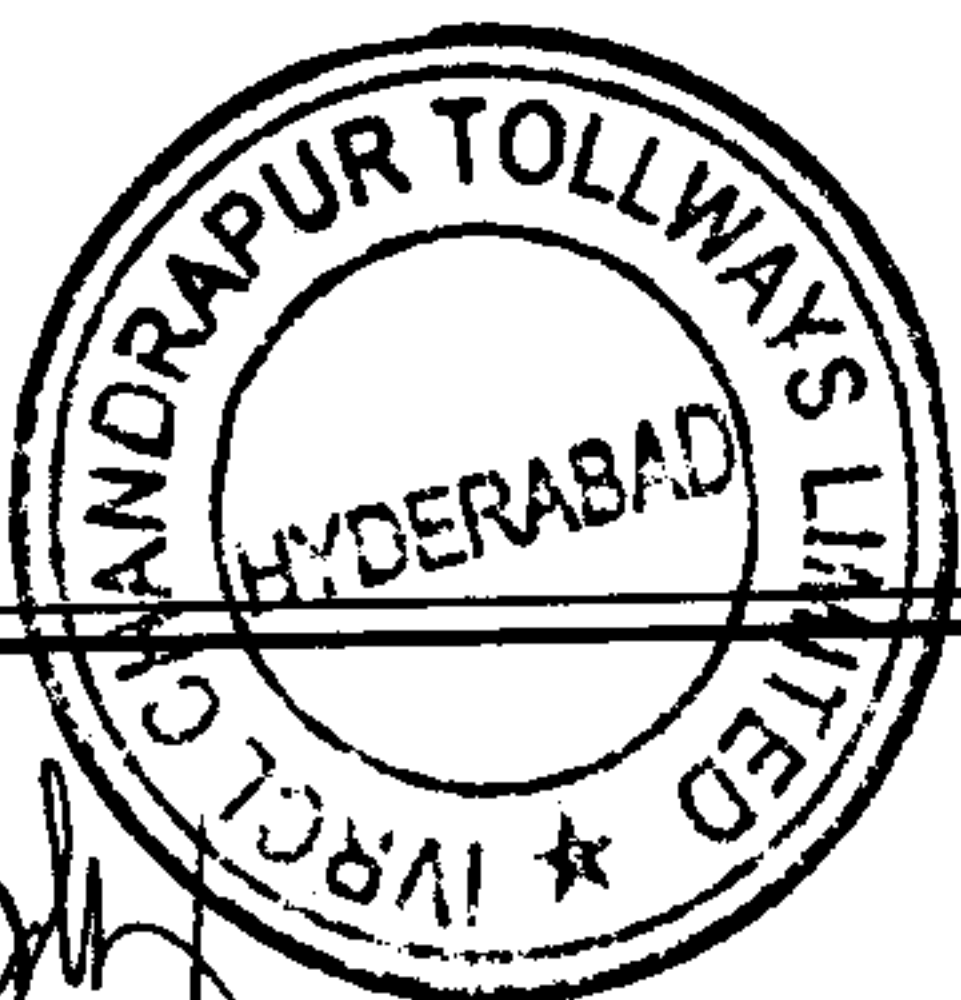
The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

**e) Whistle Blower/ Vigil Mechanism:**

The Company has formulated a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Companies Act.

**Particulars of loans, guarantees and investments:**

The particulars of loans, guarantees and investments have been disclosed in the financial statements.



*Signature*

**Particulars of employees:**

In terms of provisions of Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 there are no employees who were in receipt of remuneration of INR 60,00,000 or more per annum or INR 5,00,000 or more per month, during the period under review.

**Extract of annual return:**

As provided under Section 92(3) of the Act, the extract of annual return is given in Annexure I in the prescribed Form MGT-9, which forms part of this report.

**Corporate Social Responsibility (CSR) Policy:**

The provisions of the Companies Act, 2013 relating to Corporate Social Responsibility (CSR) Policy do not apply to the company.

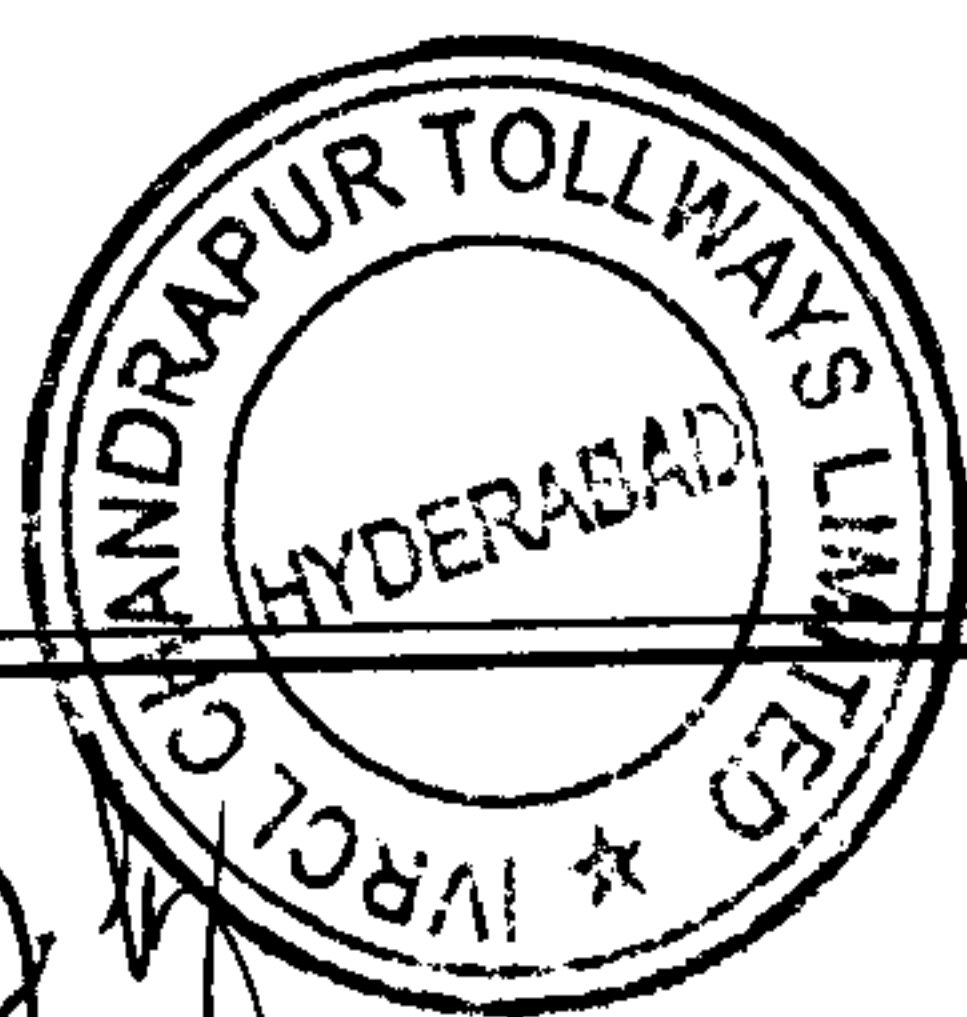
**Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:**

There were no reported cases of sexual harassment of women, during the Financial Year.

**Directors' responsibility statement:**

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;
- iii) they have taken proper and sufficient care for the 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 fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis;
- v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



**Related Party Transactions:**

The Related Party Transactions if any, entered into by the Company were in ordinary course of business and were on arms length basis, so the disclosure of particulars in prescribed format is not applicable.

**Board evaluation:**

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Companies Act, 2013.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The Board reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc

**Auditors:**

M/s. Sawalkar & Bonde, Chartered Accountants bearing Registration No. 100475W, was appointed as Statutory Auditors for a term of three years till the conclusion of the Annual General Meeting to be held for the Financial Year 2016-17 subject to ratification of their appointment at every AGM.

**Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo:**

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under:

**a) Conservation of Energy:**

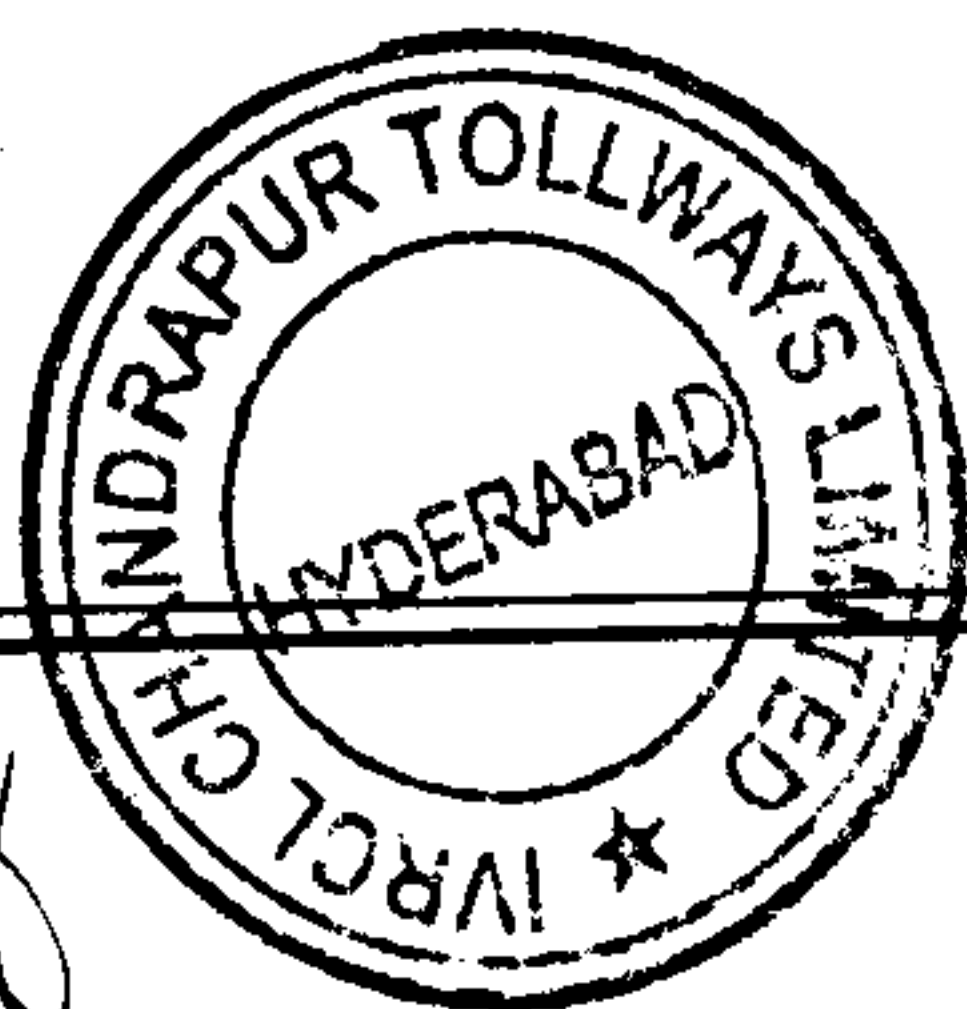
The requirement of energy for the Company is not substantial. However, the Company is taking adequate steps for conservation of energy wherever possible.

**b) R&D, Technology Absorption etc:**

The Company continues to use the latest technologies for improving the productivity and quality of operations. The Company's operations do not require significant import of technology.

**c) Foreign Exchange Earnings/ Outgo:**

Earnings	Nil
Outgo	Nil



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**ACKNOWLEDGEMENTS:**

Your Directors wish to express their appreciation of the support and co-operation extended by the Public Works Department (PWD), Maharashtra, Consortium Lenders, Banks, Financial Institutions, Suppliers, Consultants, Associates, Sub Contractors and other clients.

The Directors also wish to thank all the employees for their contribution and continued co-operation throughout the year.

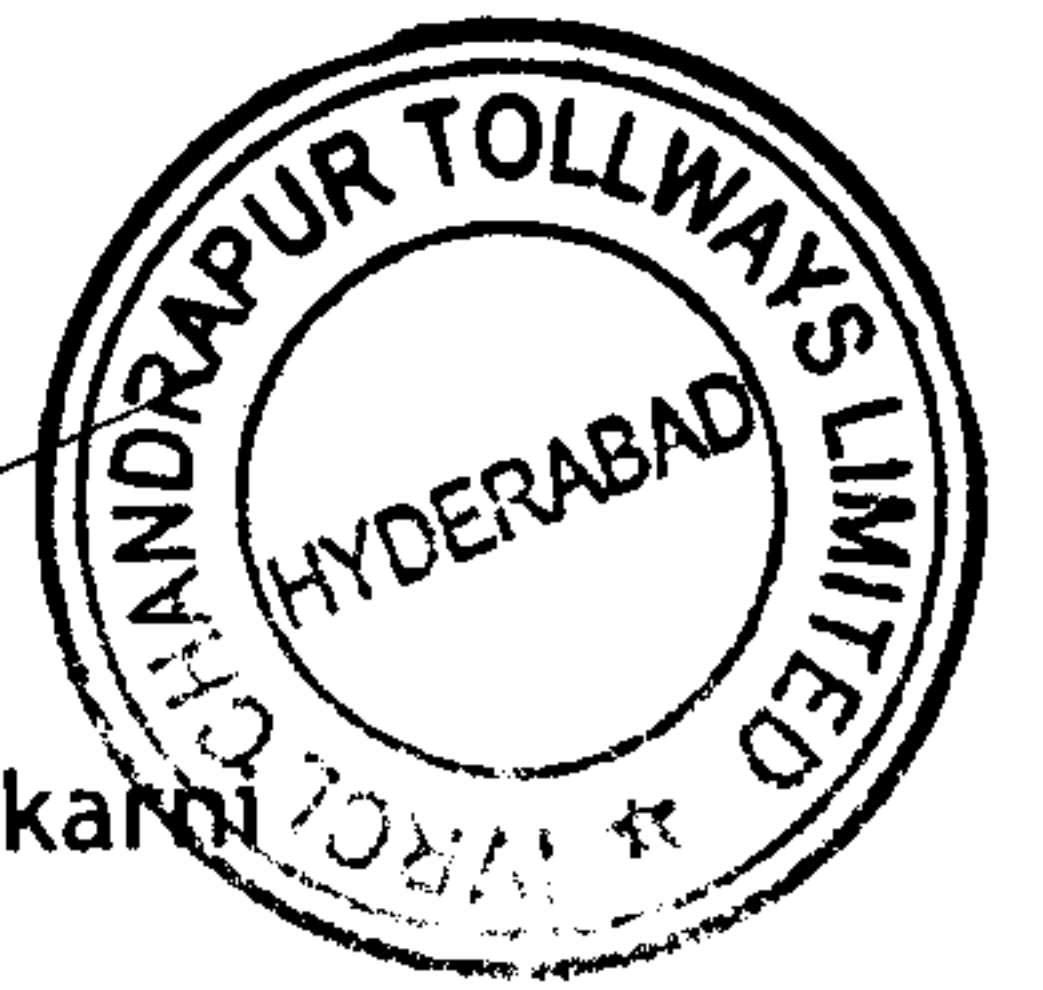
For and on behalf of the Board



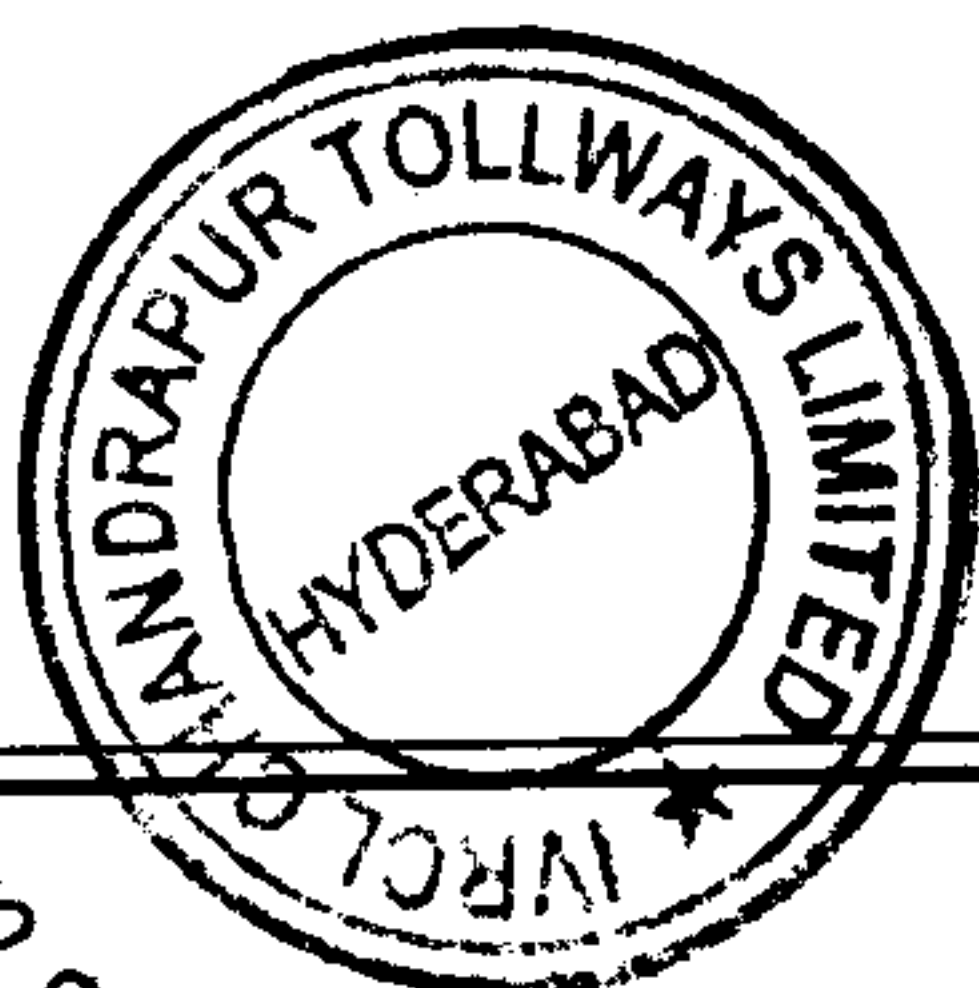
Balaji Sethuraman  
Director  
DIN:06874683



Vinod Nagnath Kulkarni  
Director  
DIN:00713232



Place: Hyderabad  
Date : May 27, 2016



# IVRCL CHANDRAPUR TOLLWAYS LIMITED

Annexure I

## FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

### I. REGISTRATION & OTHER DETAILS:

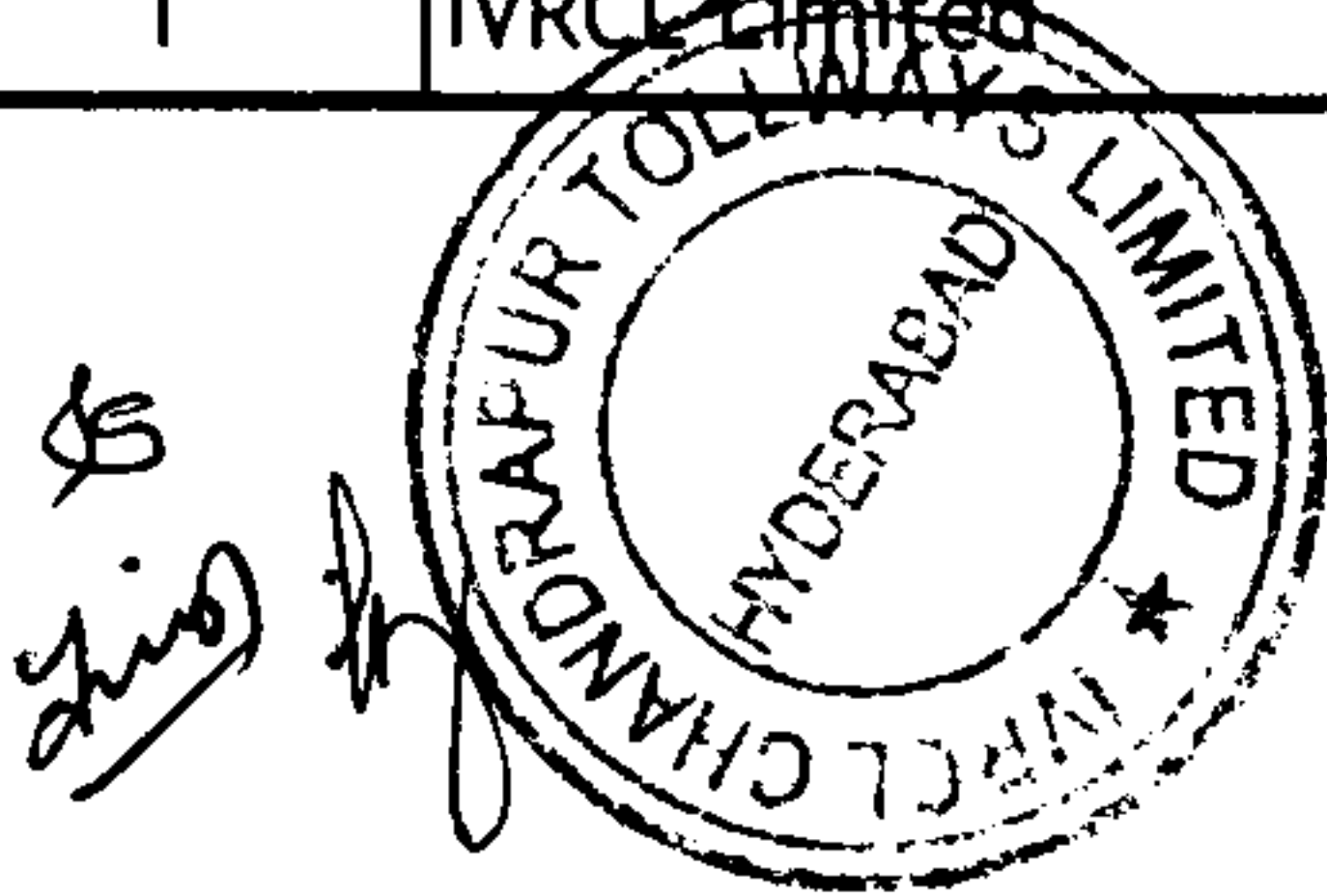
1.	CIN	U45203TG2010PLC070923
2.	Registration Date	October 21, 2010
3.	Name of the Company	IVRCL CHANDRAPUR TOLLWAYS LIMITED
4.	Category/Sub-category of the Company	Company Limited by shares / Indian Non-Government Company
5.	Address of the Registered office & contact details	MIHIR, 8-2-350/5/A/24/1-B & 2, Road No.2,, Panchavati Colony, Banjara Hills, Hyderabad - 500034,
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited, Karvy Registry House, 8-2-596, St. No. 1, Banjara Hills, Hyderabad - 500 034, India Tel: +91 40 2331 2454 ;Fax: +91 40 2331 1968 ; Email Id : support@karvy.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways	42101	100

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address of the Company	CIN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	IVRCL Limited	L45201AP1987PLC007959	Holding Company	100	2(46)

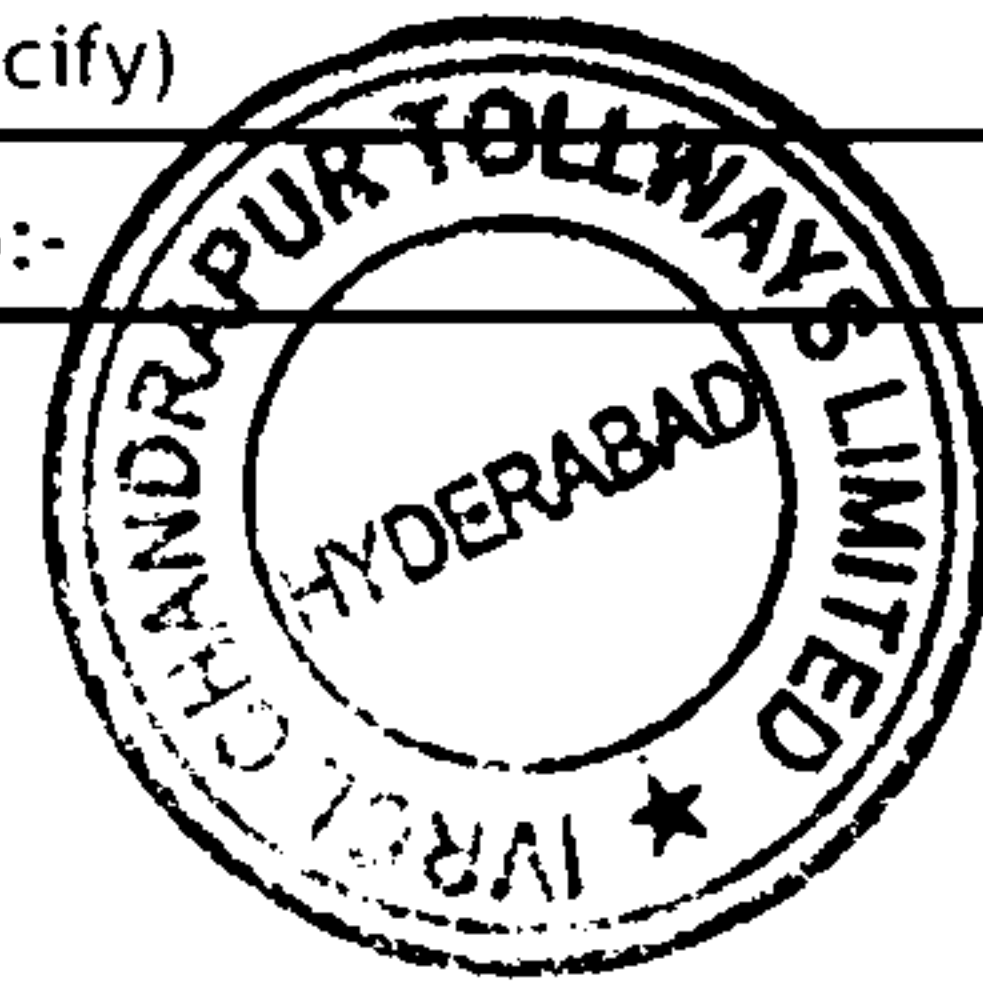


IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2,28,12,895	105	2,28,13,000	100.00	2,28,12,895	105	2,28,13,000	100.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	<b>2,28,12,895</b>	<b>105</b>	<b>2,28,13,000</b>	<b>100.00</b>	<b>2,28,12,895</b>	<b>105</b>	<b>2,28,13,000</b>	<b>100.00</b>	<b>-</b>
<b>B. Public Shareholding</b>									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

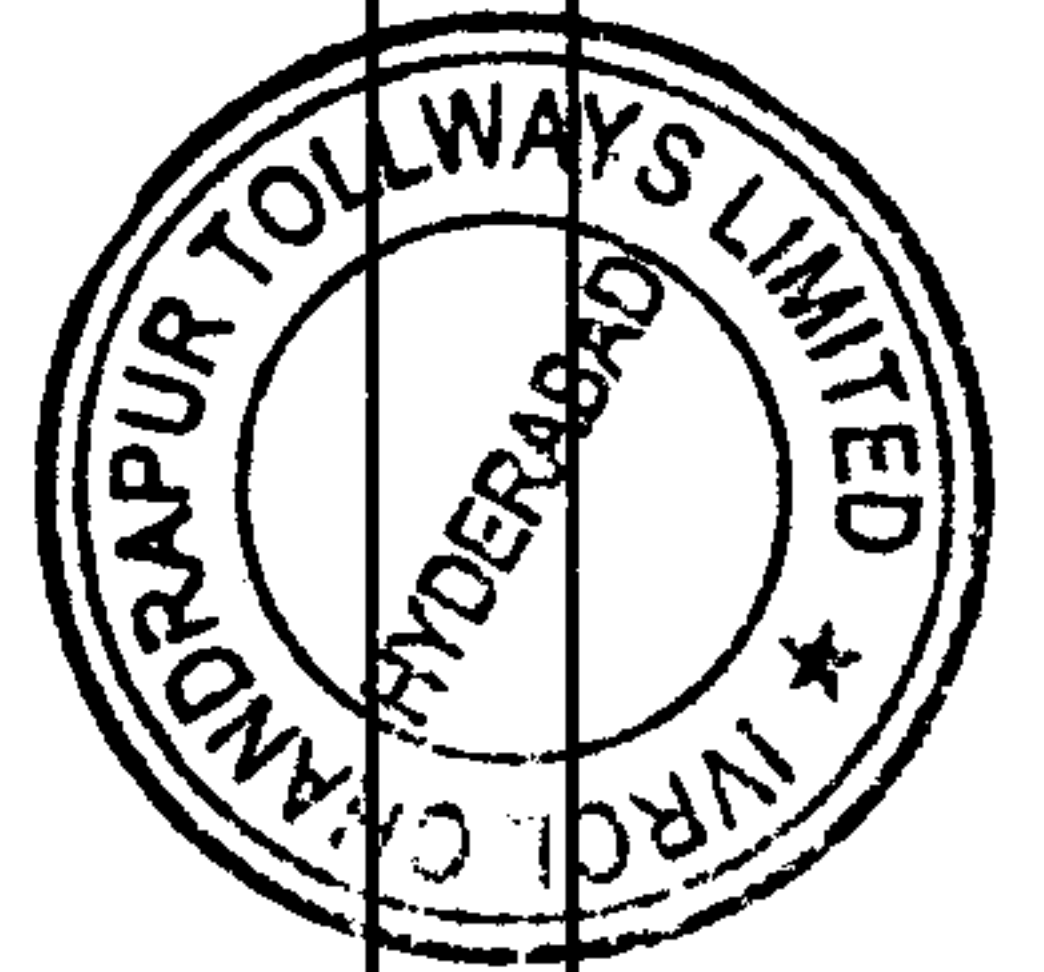
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Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2,28,12,895	105	2,28,13,000	100.00	2,28,12,895	105	2,28,13,000	100.00	-

B) Share Holding of the promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
IVRCL Limited	2,28,12,900	99.99	97.73	2,28,12,900	99.99	97.73	-



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

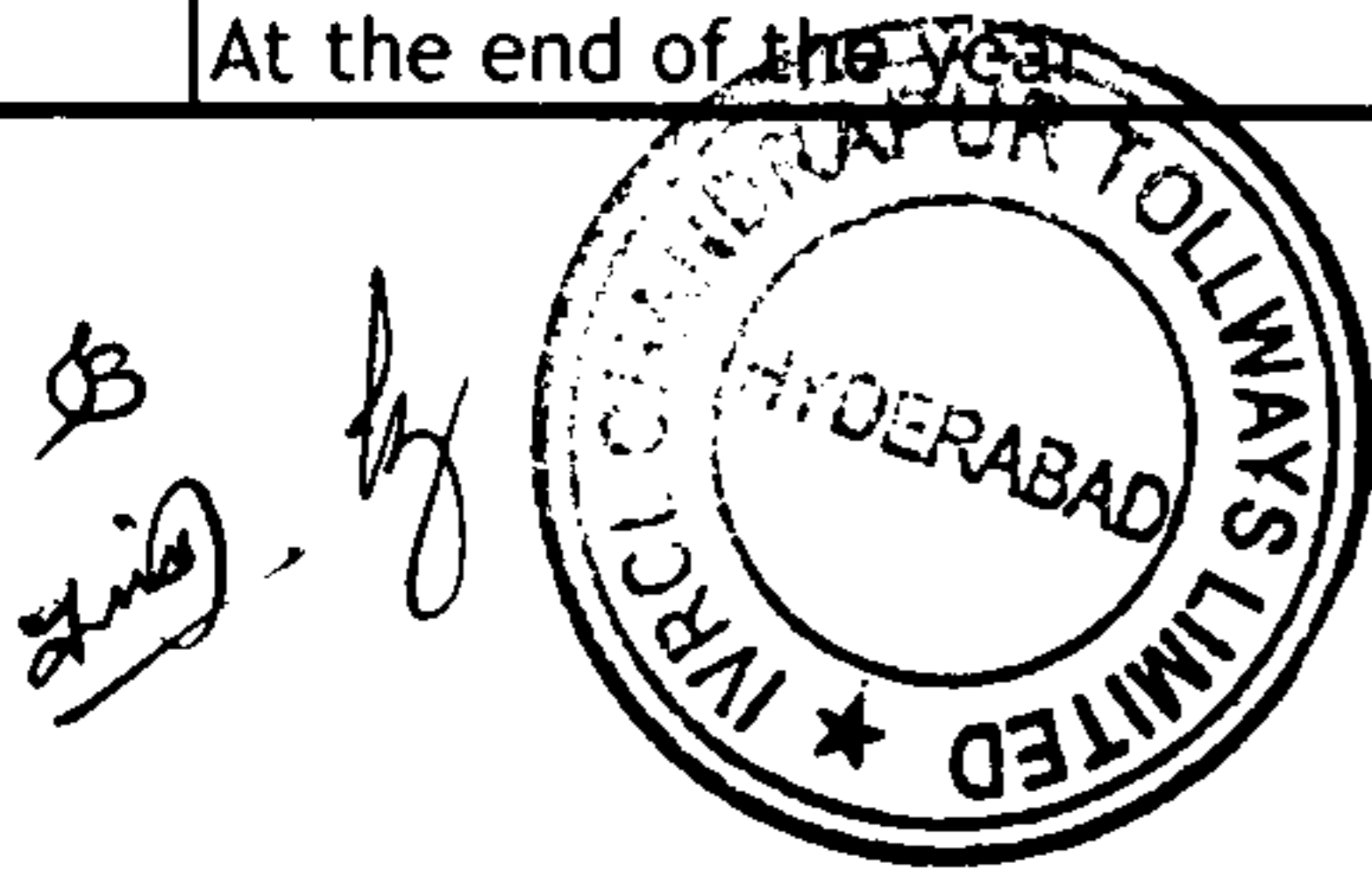
S.No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2,28,12,900	99.99	2,28,12,900	99.99
	Addition/ Deletion during the year	-	-	-	-
	At the end of the year	2,28,12,900	99.99	2,28,12,900	99.99

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

S.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	-Nil-			
	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				

E) Shareholding of Directors and Key Managerial Personnel:

S.No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-Nil-			
	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				


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

INR

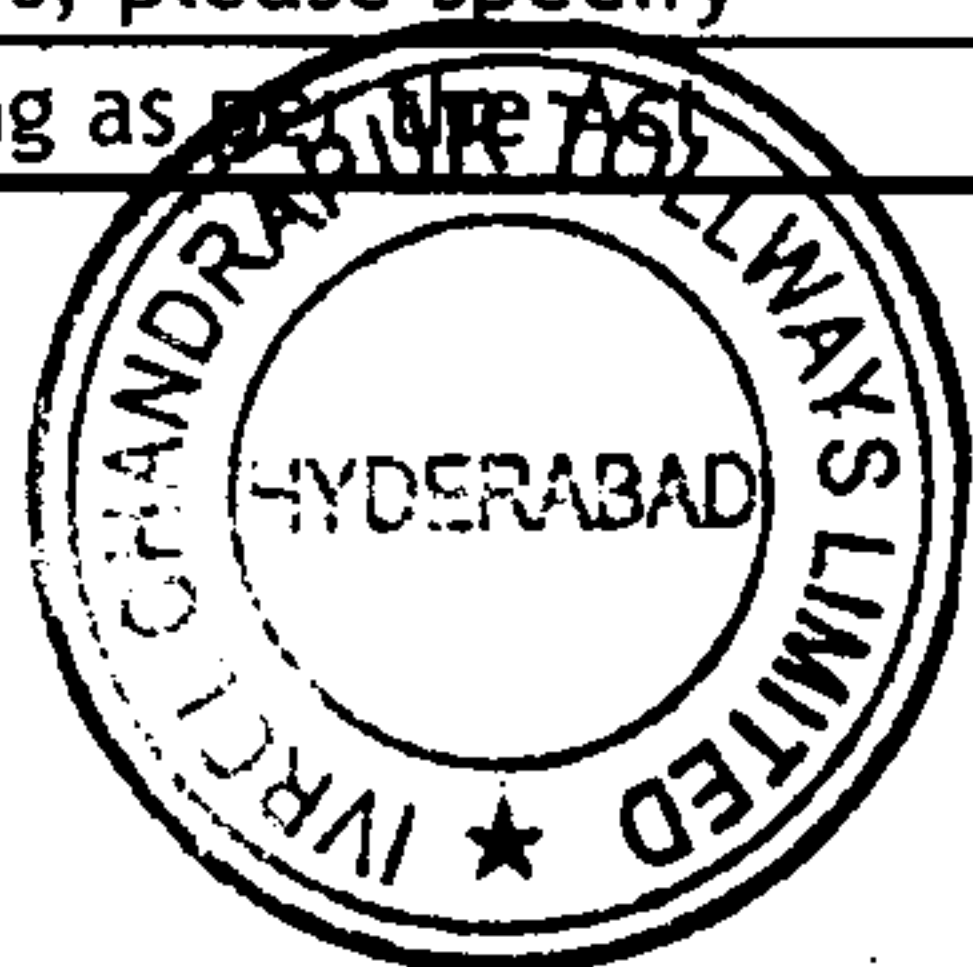
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,94,74,15,001	-	-	2,94,74,15,001
ii) Interest due but not paid	6,28,07,601	-	-	6,28,07,601
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3,01,02,22,602</b>	<b>-</b>	<b>-</b>	<b>3,01,02,22,602</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	1,16,96,64,637	-	-	1,16,96,64,637
* Reduction	-	-	-	-
<b>Net Change</b>	<b>1,16,96,64,637</b>	<b>-</b>	<b>-</b>	<b>1,16,96,64,637</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4,09,47,14,361	-	-	4,09,47,14,361
ii) Interest due but not paid	8,51,72,878	-	-	8,51,72,878
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>4,17,98,87,239</b>	<b>-</b>	<b>-</b>	<b>4,17,98,87,239</b>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

S.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 u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	No Remuneration was paid to Directors or Key Managerial Personnel during the year 2015-16.		
2	Stock Option			Nil
3	Sweat Equity			Nil
4	Commission - as % of profit - others, specify...			Nil
5	Others, please specify	Nil		
	Ceiling as per section 196			

*Signature*



**B. Remuneration to other directors:**

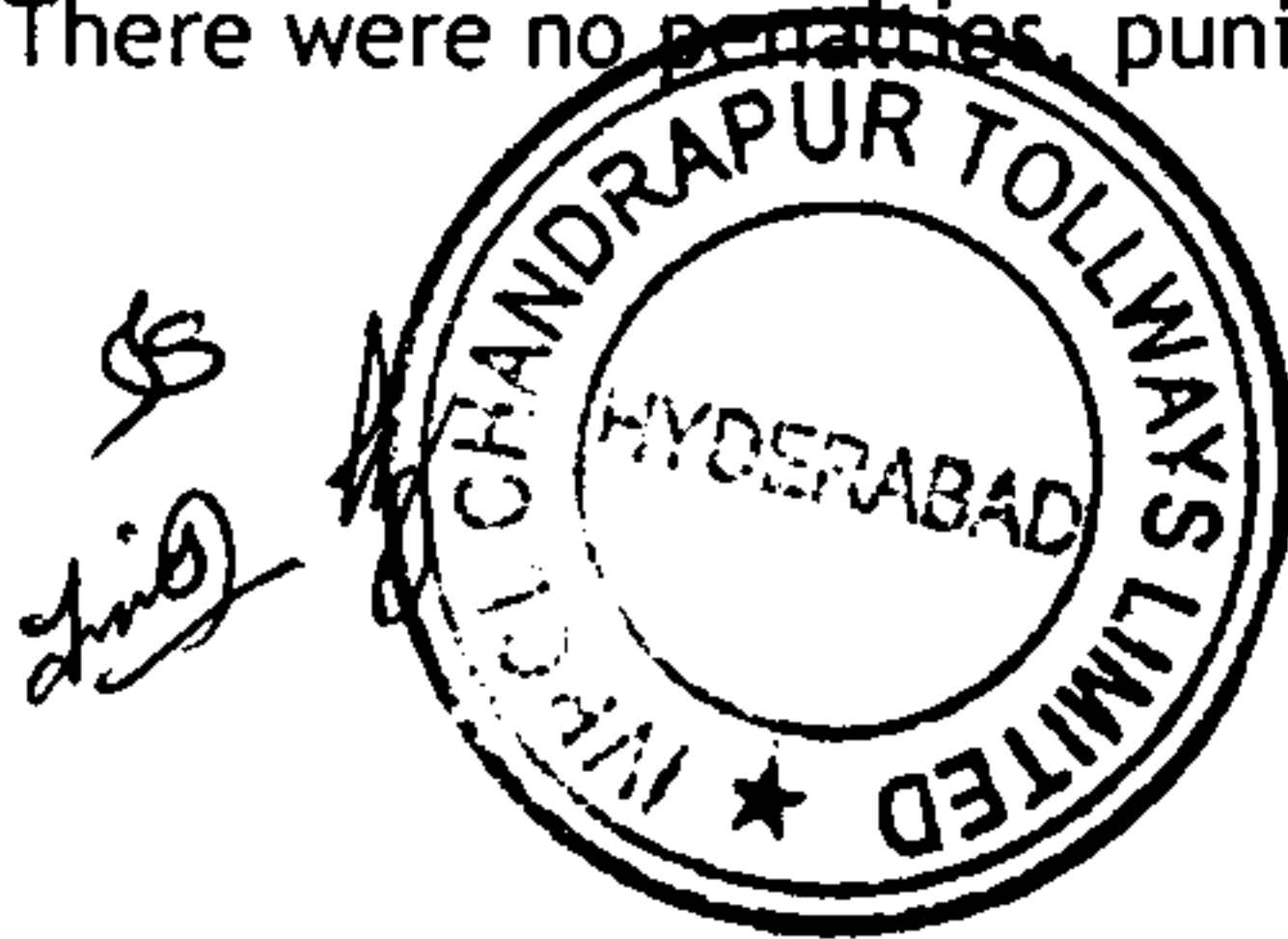
S.No.	Particulars of Remuneration	Name of Directors	Total Amount	
1	<b>Independent Directors:</b>	No Remuneration was paid to any Directors or Key Managerial Personnel during the year 2015-16		
	Fee for attending board committee meetings			
	Commission			
	Others, please specify			
<b>Total (1)</b>				
2	<b>Other Non-Executive Directors:</b>			
	Fee for attending board committee meetings			
	Commission			
	Others, please specify			
<b>Total (2)</b>				
<b>Total (B)=(1+2)</b>				
Total Managerial remuneration overall ceiling as per the act				

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

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	No Remuneration was paid to any Directors or Key Managerial Personnel during the year 2015-16			
	(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:**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016.



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**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF IVRCL CHANDRAPUR TOLLWAYS LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **IVRCL Chandrapur Tollways Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information. No statement of Profit and Loss Account has been made as the project is under implementation stage.

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

**Auditor's Responsibility**

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

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

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



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

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

However, we would like to draw your attention to the following points:

A.) During the financial year 2015 – 16, cost of the project revised upwardly from 806.66 Crs to 882.48 Crs. As per LIE Report, cost of work completed till 31.03.2016 is Rs. 6893566317. IE's report is still awaited.

***B.) Due to delay in completion of the project by more than 2 years, it is observed that the company not only incurred additional expenses towards overheads and financial expenses but also suffered loss of revenue from Toll Collection.***

**C.) The Company has given Escalation Amount of Rs. 33,84,21,260/- to EPC contractor (a related party) not obligated by the EPC contract.**

### **Opinion**

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

### **Report on Other Legal and Regulatory Requirements**


1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we enclosed in the annexure a statement on the matters specified in paragraph 3 and 4 of the said Order to the extent applicable.



2. As required by Section 143 (3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. There are no observations or comments on the financial transactions or matters which have any adverse effect on the functioning of the company.
  - f. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g. 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".
  - h. 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 no 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 amount which were required by the company to be transferred to the Investor Education and Protection Fund.

Place: Hyderabad  
Date: 27.05.2016



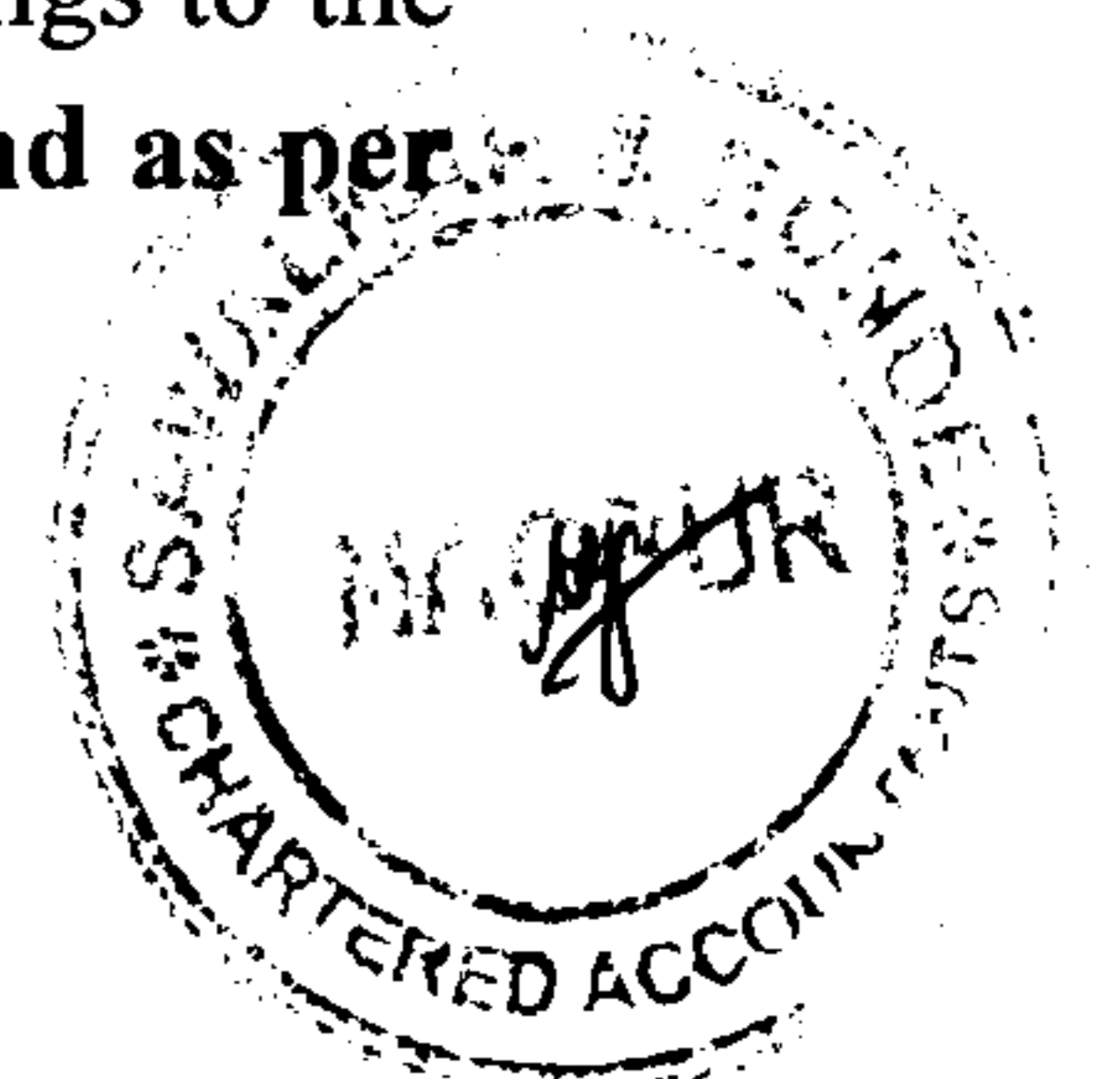
Sawalkar & Bonde  
Chartered Accountants  
  
CA Nishant M Gajbi  
Partner  
M No: 130255  
FRN:100475W

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**Annexures to the Independent Auditor's Report of IVRCL Chandrapur Tollways Limited for the Year ended as on 31<sup>st</sup> March 2016**

**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 title deeds are held in the name of the company.
- 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. It has been represented by the management that the cost records prescribed, pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Companies Act, are not applicable to the company.
- 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 31<sup>st</sup> March 2016, there are no undisputed statutory dues payables 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. During the year the company has not defaulted in repayment of loans or borrowings to the banks, financial institutions, government or dues to debenture holders **except and as per**




**information given to us, the company has delayed in payment of interest of Rs 52609444 to the banks and financial institution ranging from 1 to 212 days.**

- ix. Money raised by way of term loan 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. Therefore the provisions of section 197 read with Schedule V of the Companies Act 2013 are not applicable.
- xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable.
- 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 had not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 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.

Place: Hyderabad  
Date: 27.05.2016



Sawalkar & Bonde  
Chartered Accountants  
  
CA Nishant M Gajbi  
Partner  
M No: 130255  
FRN: 100475W

**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 **IVRCL Chandrapur Tollways Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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



**SAWALKAR AND BONDE**  
CHARTERED ACCOUNTANTS

HO: SAWALKAR BHAWAN  
3<sup>RD</sup> FLOOR, NEAR JHULELAL TEMPLE  
NEAR SHUKRAWARI TALAO  
NAGPUR.  
FRN: 100475W.  
CONTACT: 7744906020.  
nishantgajbi@yahoo.com

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### **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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad  
Date: 27.05.2016



Sawalkar & Bonde  
Chartered Accountants  
*Nishant M Gajbi*  
CA Nishant M Gajbi  
Partner  
M No: 130255  
FRN: 100475W

**IVRCL CHANDRAPUR TOLLWAYS LIMITED**

Balance Sheet as at March 31, 2016

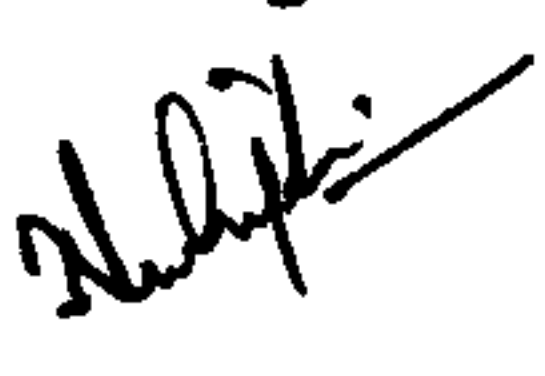
INR

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.01	22,81,30,000	22,81,30,000
Reserves and surplus	2.02	3,52,41,74,000	3,11,26,44,000
<b>Non-current liabilities</b>			
Long-term borrowings	2.03	4,09,47,14,361	2,94,74,15,001
Long-term provisions	2.04	48,750	15,549
<b>Current liabilities</b>			
Other current liabilities	2.05	42,79,68,228	12,65,65,293
Short-term provisions	2.06	8,76,01,271	6,44,70,613
<b>Total</b>		<b>8,36,26,36,610</b>	<b>6,47,92,40,456</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	2.07	1,59,28,140	1,70,84,739
Intangible assets under development	2.08	8,27,90,84,195	5,93,58,20,582
Long-term loans and advances	2.09	4,62,67,682	43,83,86,595
Other non-current assets	2.10	7,59,236	7,59,236
<b>Current assets</b>			
Cash and bank balances	2.11	11,86,140	6,21,91,777
Short-term loans and advances	2.12	99,11,116	95,22,189
Other current assets	2.13	95,00,101	1,54,75,338
<b>Total</b>		<b>8,36,26,36,610</b>	<b>6,47,92,40,456</b>
Significant accounting policies and notes to financial statements	1 & 2		

The accompanying notes are an integral part of the financial statements


As per our report of even date attached


For Sawalkar & Bonde  
Chartered Accountants  
Firm Regn No. : 100475W

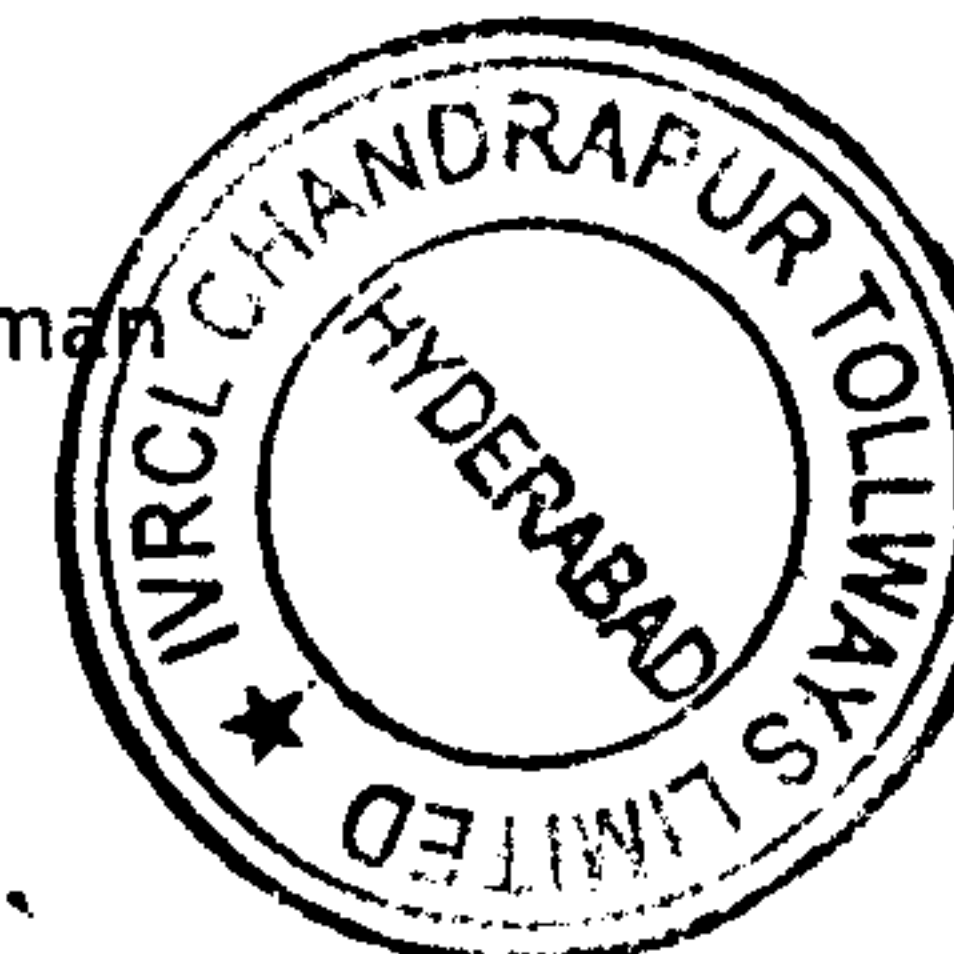
  
Nishant M Gajbi  
Partner  
Membership No. : 130255

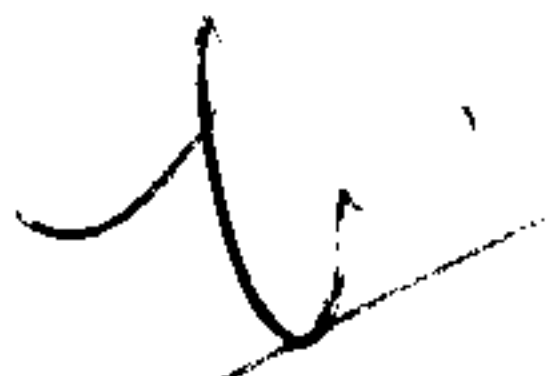


For and on behalf of the Board

  
Balaji Sethuraman  
Director  
DIN:06874683

  
Nagendra Kumar S  
Manager & CFO



  
Vinod Nagnath Kulkarni  
Director  
DIN:00713232

Place : Hyderabad  
Date : May 27, 2016

# IVRCL CHANDRAPUR TOLLWAYS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2016

INR

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	-	-
NET CASH GENERATED FROM OPERATIONS	-	-
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase)/Decrease in Intangible assets under development	(2,34,32,63,613)	(85,98,53,692)
(Increase)/Decrease in other current assets	59,75,237	(59,75,237)
Purchase of fixed assets	11,56,599	14,89,083
(Increase)/Decrease in loans and advances - long term	39,21,18,913	12,98,90,736
(Increase)/Decrease in loans and advances- short term	(3,88,927)	15,00,595
Increase/(Decrease) in short term provisions	2,31,30,658	6,21,30,774
Increase/(Decrease) in long t term provisions	33,201	5,683
Increase/(Decrease) in current liabilities	30,14,02,935	(25,25,71,411)
<b>NET CASH GENERATED (USED IN) INVESTING ACTIVITIES</b>	<b>(1,61,98,34,997)</b>	<b>(92,33,83,469)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity share capital	-	51,80,000
Proceeds from share premium	-	4,66,20,000
Proceeds from Grant	41,15,30,000	27,80,50,000
Proceeds from secured loan	1,14,72,99,360	57,15,67,001
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>1,55,88,29,360</b>	<b>90,14,17,001</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>	<b>(6,10,05,637)</b>	<b>(2,19,66,468)</b>
Cash and cash equivalents as at April 01, 2015	6,21,91,777	8,41,58,245
Cash and cash equivalents as at March 31, 2016	11,86,140	6,21,91,777
<b>Net Cash Flow</b>	<b>(6,10,05,637)</b>	<b>(2,19,66,468)</b>


**Notes**

**1. Components of Cash & Cash equivalents:**

Particulars	As at March 31, 2016	As at March 31, 2015
Balances with current account	11,78,120	6,21,74,745
Cash on hand	8,020	17,032
<b>Total</b>	<b>11,86,140</b>	<b>6,21,91,777</b>


2. The cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash flow Statement issued by the Institute of Chartered Accountants of India


3. Figures in bracket represent cash outflows.

For Sawalkar & Bonde  
Chartered Accountants  
Firm Regn No. : 100475W  
  
Nishant M Gajbi  
Partner  
Membership No. : 130255

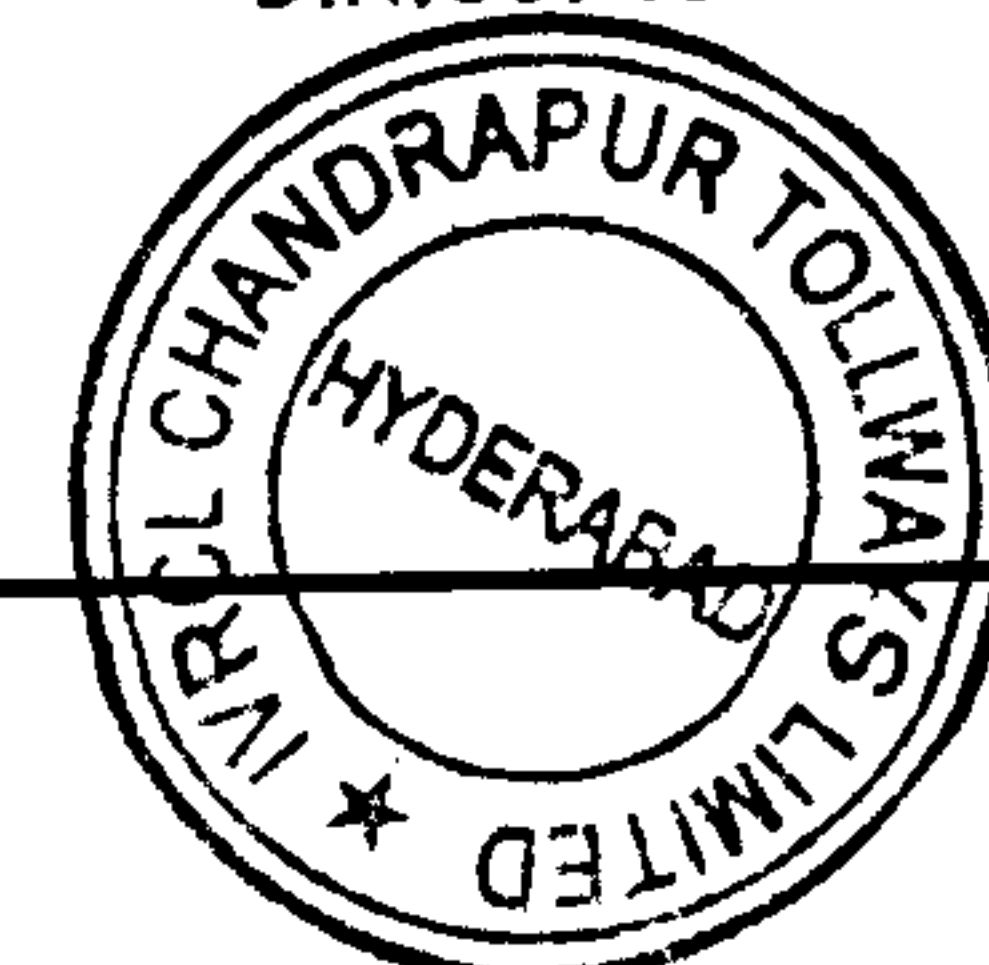


For and on behalf of the Board

  
Balaji Sethuraman  
Director  
DIN:06874683

  
Vinod Nagnath Kulkarni  
Director  
DIN:00713232

  
Nagendra Kumar S  
Manager & CFO



Place : Hyderabad  
Date : May 27, 2016

# IVRCL CHANDRAPUR TOLLWAYS LIMITED

## Significant accounting policies and notes to financial statements

### COMPANY OVERVIEW:

M/s.IVRCL Chandrapur Tollways Limited (the Company) has been promoted as a Special Purpose Vehicle (SPV) to construct four laning & improvement of Karanji-Wani-Ghuggus-Chandrapur (up to padoli junction) road of MSH-6 & 7 in Yavatmal & Chandrapur District length 85.112 kms (here in after called the "Section of major state highway") in the state of Maharashtra on "Design, Build, Finance, Operate & Transfer (DBFOT) Basis.

The Company entered into a concession agreement with the Government of Maharashtra on December 01, 2010 for design, engineering, construction, operation and maintenance of a highway ("Highway Project") in the State of Maharashtra on "Design, Build, Finance, Operate & Transfer (DBFOT) Basis for a period of 30 years, including construction period of 2 years.

### 1.00 SIGNIFICANT ACCOUNTING POLICIES:

#### 1.01 Basis of accounting

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

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a materials adjustment to the carrying amounts of assets or liabilities in future periods.

#### 1.02 Income recognition

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Other items of income are accounted as and when the right to receive arises.

#### 1.03 Intangible assets under development

Intangible assets under development includes direct and indirect expenditure incurred for the Highway project and costs incidental and related there to.

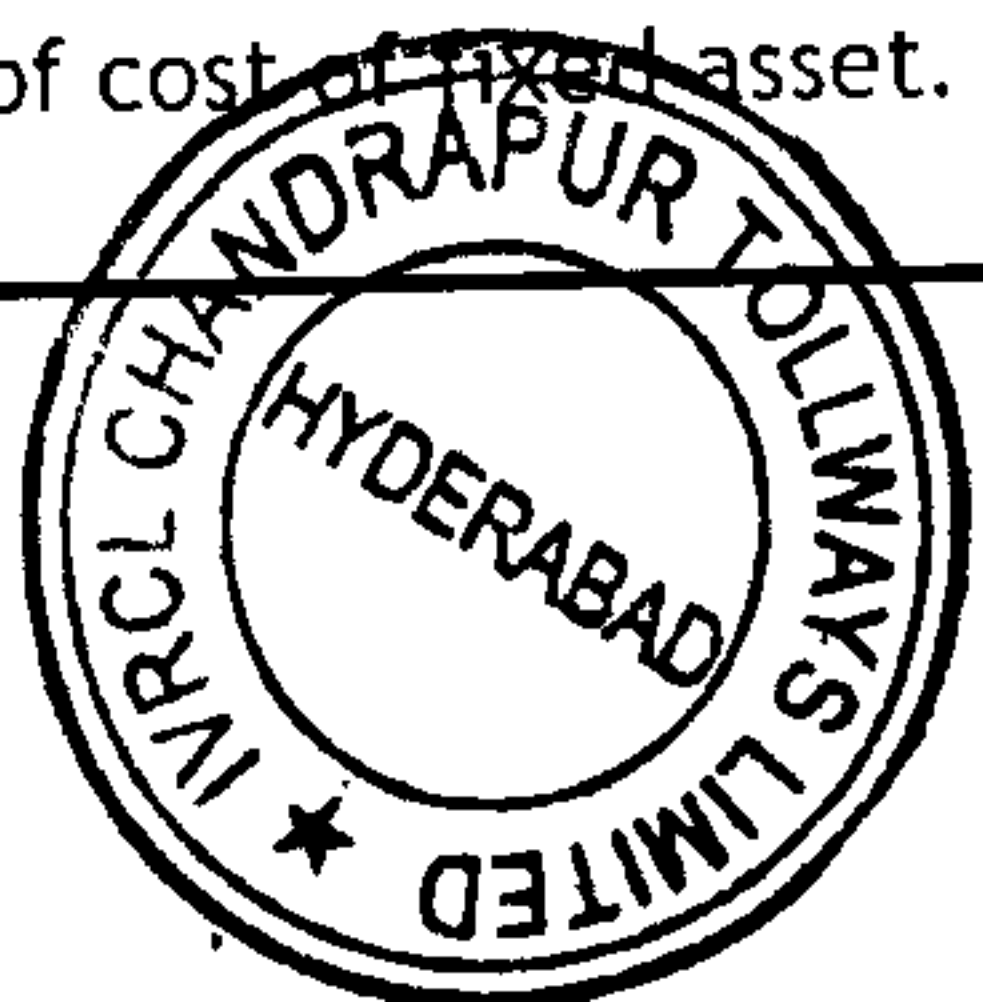
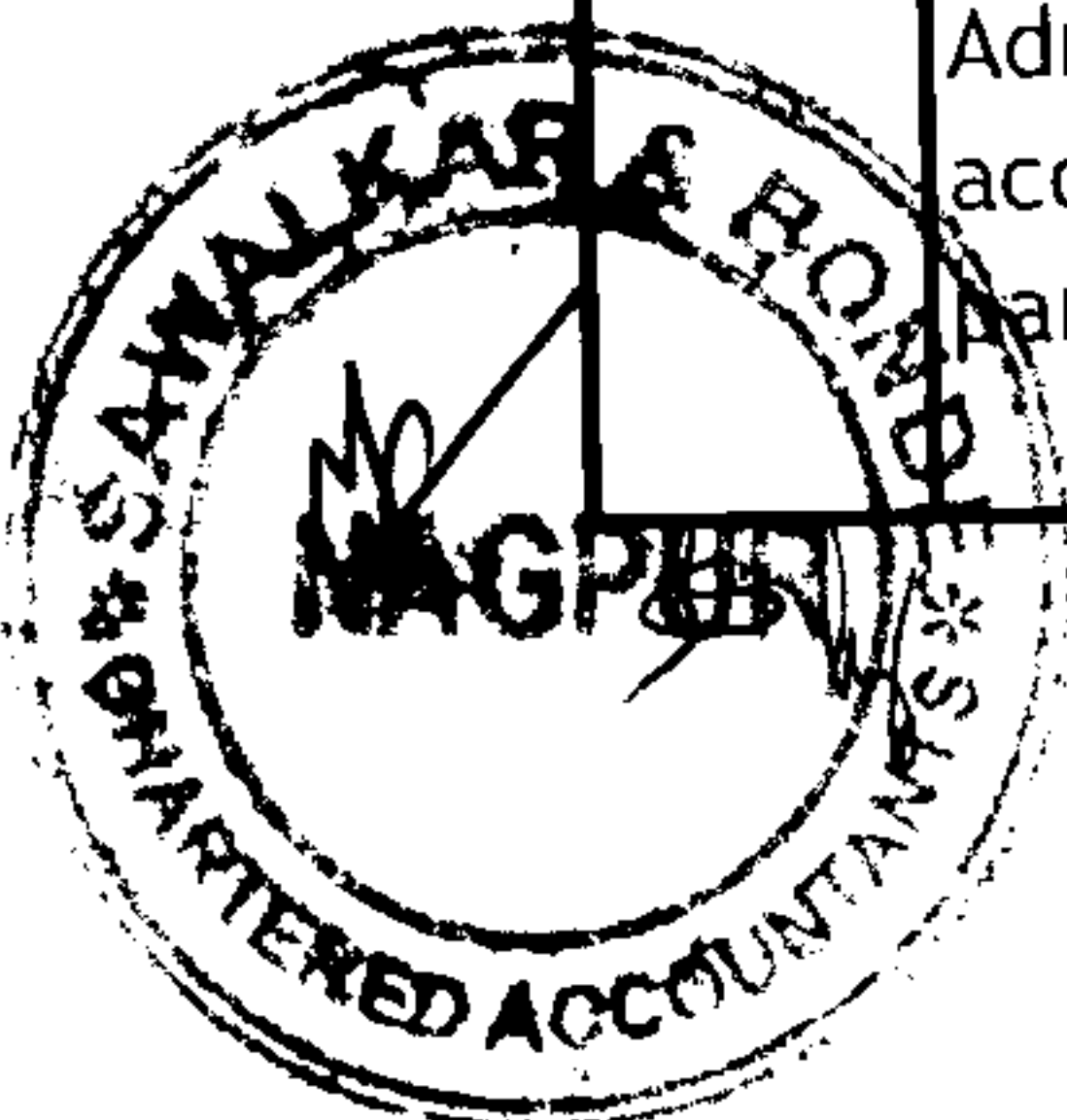
Expenses incurred relating to the development of highway project prior to commencement of commercial operations are accounted under Intangible assets under development (net of income earned during project development stage).

#### 1.04 Fixed assets

##### A. Tangible assets

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

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



# IVRCL CHANDRAPUR TOLLWAYS LIMITED

## Significant accounting policies and notes to financial statements

### B. Intangible assets

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

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

Intangible not ready for intended use on the date of balance sheet are disclosed as "Intangible Assets under Development"

Carriageways representing Toll Collection Rights, 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 Carriage ways comprises construction cost and other preoperative costs incurred during the implementation phase, such carriageways on completion are capitalized as intangible asset.

### 1.05 Depreciation and Amortization

#### A. Depreciation

Depreciation on assets has been provided on Straight line basis at the useful lives specified in the Schedule II of the Companies Act, 2013. Depreciation on additions/ deductions is calculated pro-rata from/ to the month of additions/ deductions.

#### B. Amortization

Toll collection rights in respect of road projects are amortized over the period of concession using the revenue based amortization method prescribed under Schedule II to the companies Act, 2013. Under the revenue based method, amortization is provided based on the proportion of actual revenue earned till the end of the year to the total projected revenue from the intangible asset expected to be earned over the

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

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

### 1.06 Government grants

Where the government grants are of the nature of promoters' contributions, i.e., they are given with reference to the total investment in an undertaking or by way of contribution towards its total capital outlay (for example, central investment subsidy scheme) and no repayment is ordinarily expected in respect thereof, the grants are treated as capital reserve (as part of shareholders fund) which can be neither distributed as dividend nor considered as deferred income.

### 1.07 Investments

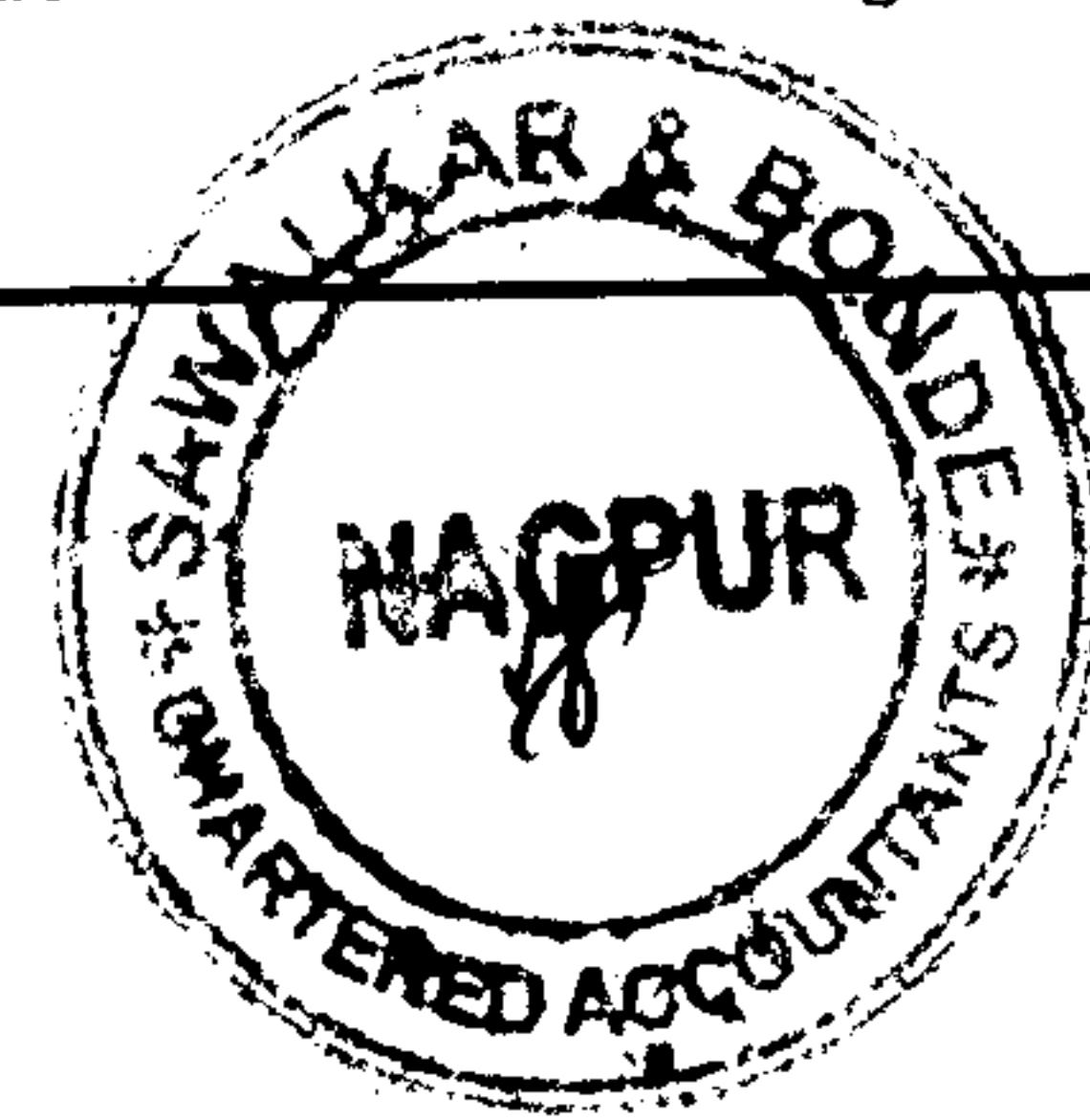
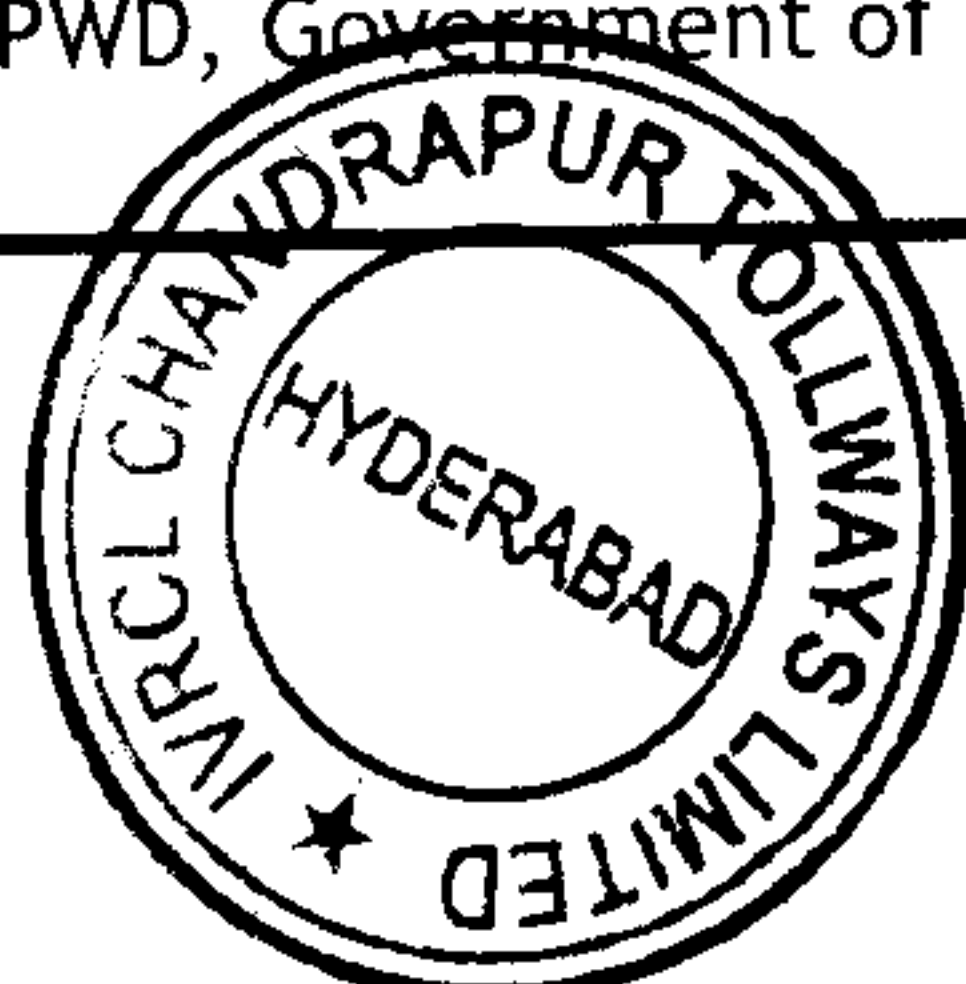
Current Investments are valued at lower of cost or market value

### 1.08 Borrowing cost

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalized as part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use.

All financing cost incurred after the assets are ready for use to earn toll revenue in terms of the agreement with PWD, Government of Maharashtra, are charged as revenue expenses.

SK



# IVRCL CHANDRAPUR TOLLWAYS LIMITED

## Significant accounting policies and notes to financial statements

### 1.09 Employee Benefits

As per Accounting Standard 15 - Employee benefits (Revised) issued by Companies (Accounting Standard) Rules, 2006, Provisions for / contributions to retirement benefit schemes are accounted for as follows :

- Contribution to provident fund - on actual basis
- Provision for gratuity - as per actuarial valuation.
- Provision for leave encashment - as per actuarial valuation.

### 1.10 Miscellaneous expenditure

Miscellaneous expenditure comprises company incorporation expenses and is charged proportionately to statement of profit & loss from the year of commencement of commercial operations.

### 1.11 Income tax

Income tax comprises current tax and deferred tax. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences, subject to consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted by the balance sheet

### 1.12 Contingent liabilities and Provisions

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

- The company has a present obligation as a result of a past event
- A probable outflow of resources is expected to settle the obligation and
- The amount of the obligation can be reliably estimated

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

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 Toll Road in operational condition except for any enhancement element) are recognized and measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provision for the resurfacing is built up in accordance with the provisions of AS 29, Provisions, Contingent Liabilities and Contingent Assets.

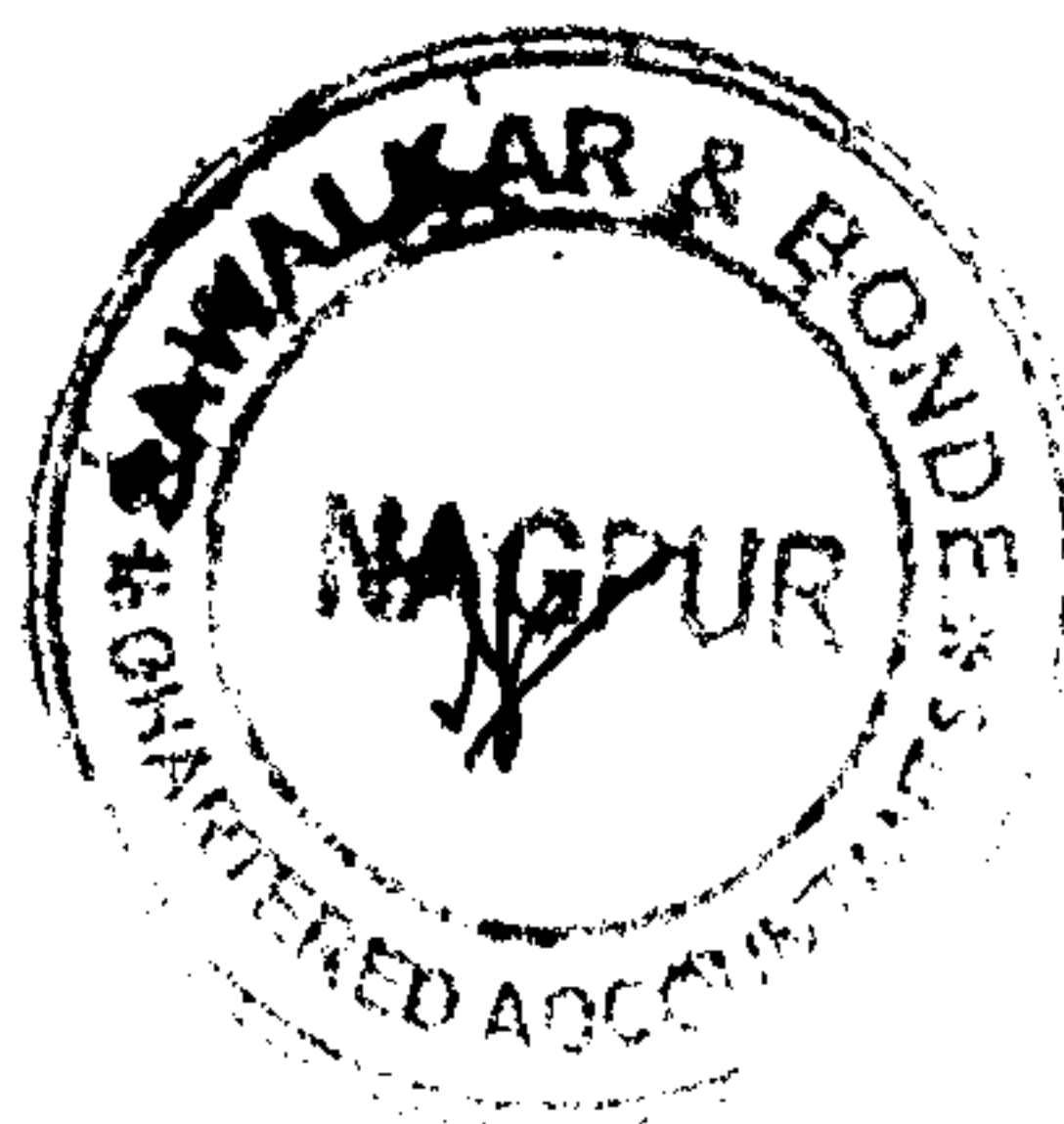
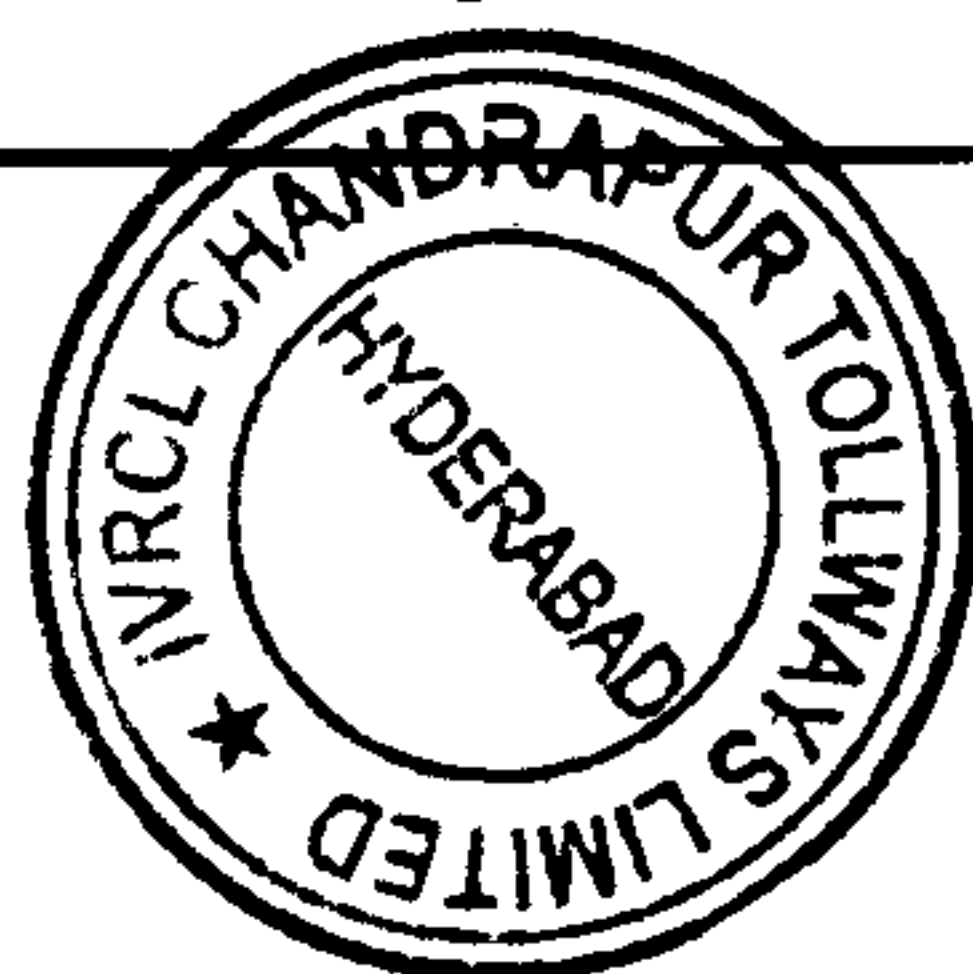
Contingent Liability is disclosed in the case of

- A present obligation arising from a past event, when it is not probable that flow of resources will be required to settle the obligation.
- A possible obligation, unless the probability of outflow of resources is remote.

Contingent Assets are neither recognized, not disclosed.

Provisions, Contingent Assets and Contingent Liabilities are reviewed at each balance sheet date.

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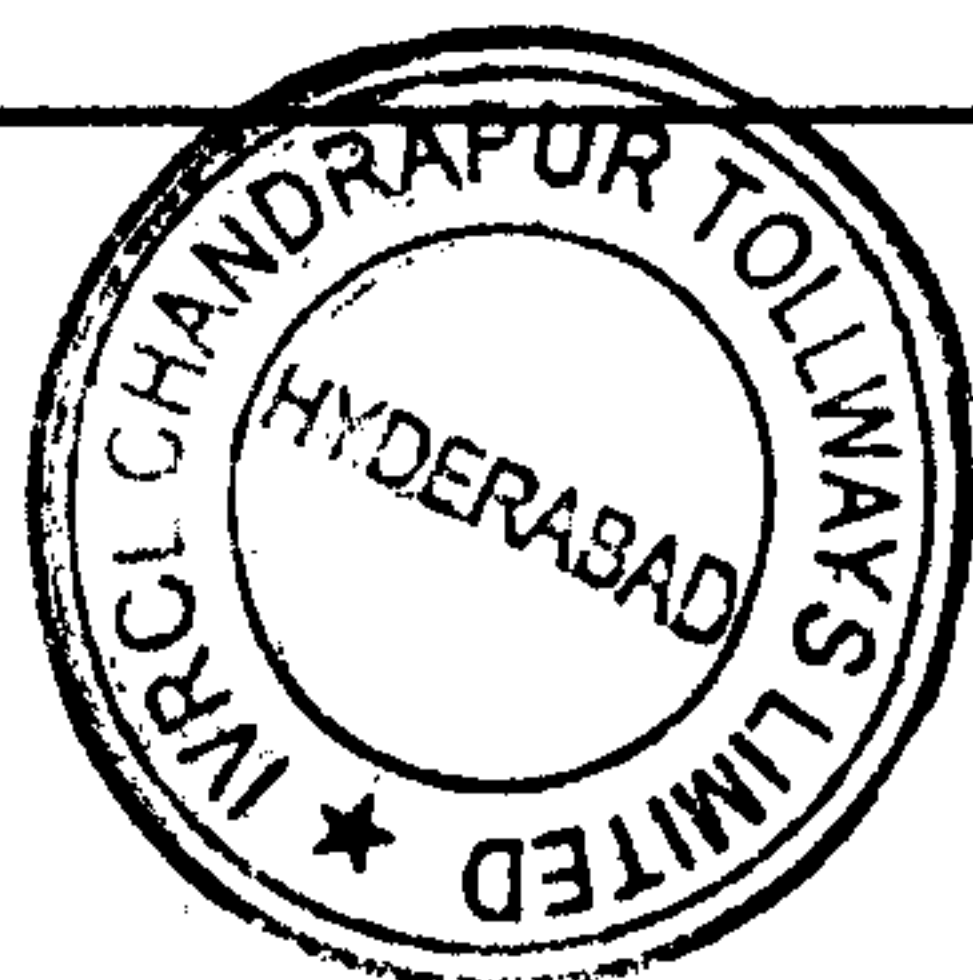


**IVRCL CHANDRAPUR TOLLWAYS LIMITED**

Significant accounting policies and notes to financial statements

**2.00 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED**
**March 31, 2016**
**INR**

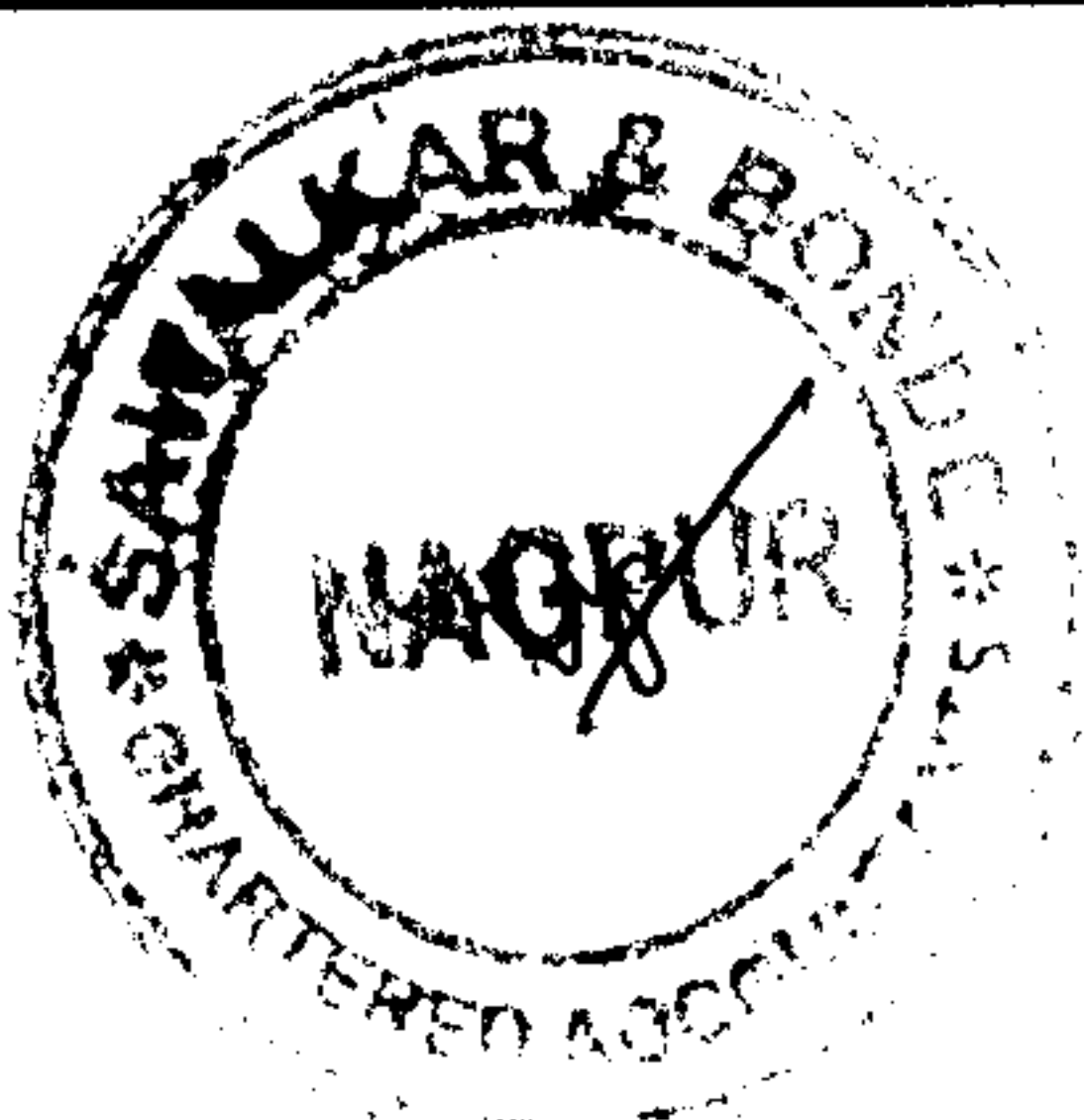
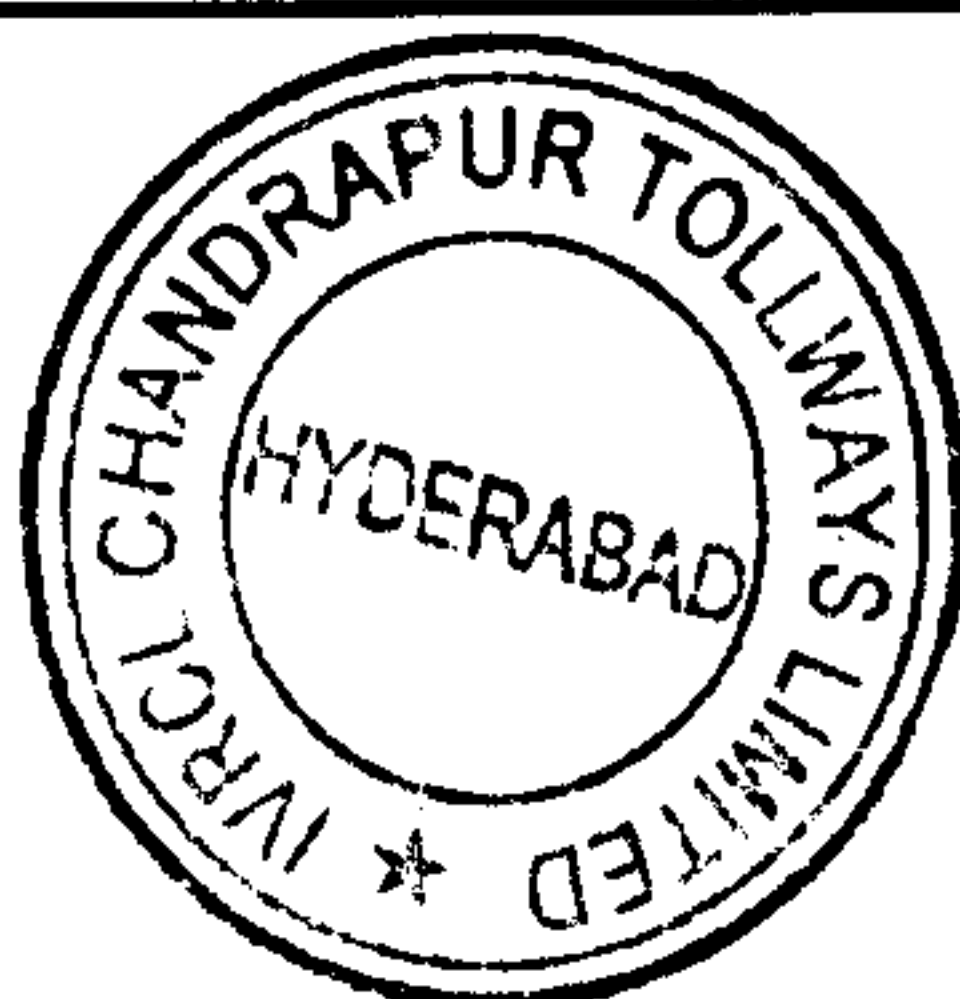
Note No	Particulars	As at March 31, 2016	As at March 31, 2015
2.01	<b>SHARE CAPITAL</b>		
	Authorized 2,28,13,000 (previous year -2,28,13,000 ) equity shares of INR 10 each	22,81,30,000	22,81,30,000
	Total	<b>22,81,30,000</b>	<b>22,81,30,000</b>
	Issued, subscribed and fully paid-up 2,28,13,000 (previous year -2,28,13,000) equity shares of INR 10 each fully paid up held by IVRCL Limited, holding company & its nominees	22,81,30,000	22,81,30,000
	Total	<b>22,81,30,000</b>	<b>22,81,30,000</b>
	<b>A. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :</b>		
	<b>Equity shares (No's)</b>		
	At the beginning of the year	2,28,13,000	2,22,95,000
	Issued during the year	-	5,18,000
	Outstanding at the end of the year	<b>2,28,13,000</b>	<b>2,28,13,000</b>
	<b>Equity shares (INR)</b>		
	At the beginning of the year	22,81,30,000	22,29,50,000
	Issued during the year	-	51,80,000
	Outstanding at the end of the year	<b>22,81,30,000</b>	<b>22,81,30,000</b>
	<b>B. Terms/rights attached to equity shares:</b>		
	The company has only one class of equity shares having a par value of INR 10 per share with premium of INR 90 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.		
	In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.		
	<b>C. Shares held by holding company :</b>		
	Out of equity shares issued by the company, shares held by it's holding company is as below.		
	IVRCL Limited, holding company & its nominees (No's)	2,28,12,900	2,28,12,900
		<b>2,28,12,900</b>	<b>2,28,12,900</b>
	<b>D. Details of shareholders holding more than 5% shares in the company:</b>		
	IVRCL Limited, holding company & its nominees	2,28,12,900	2,28,12,900
	% of holding	100.00	100.00



**IVRCL CHANDRAPUR TOLLWAYS LIMITED**
**Significant accounting policies and notes to financial statements**

INR

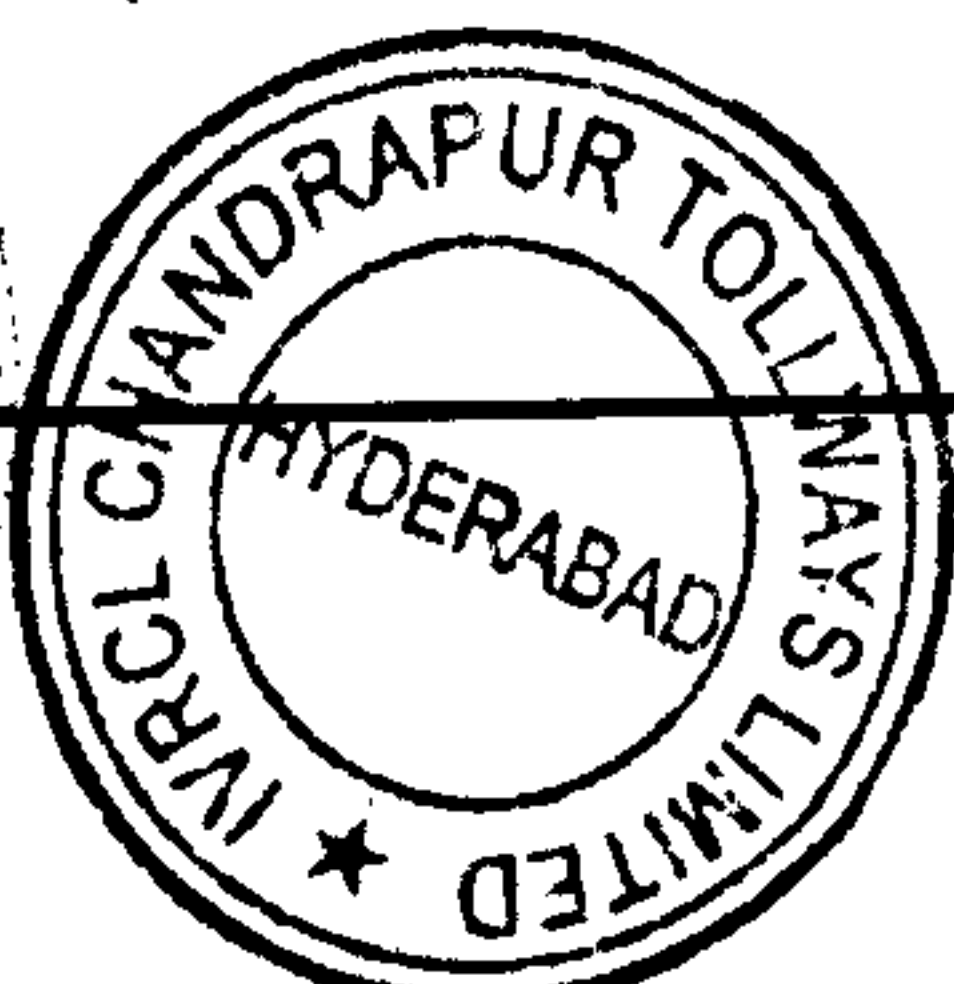
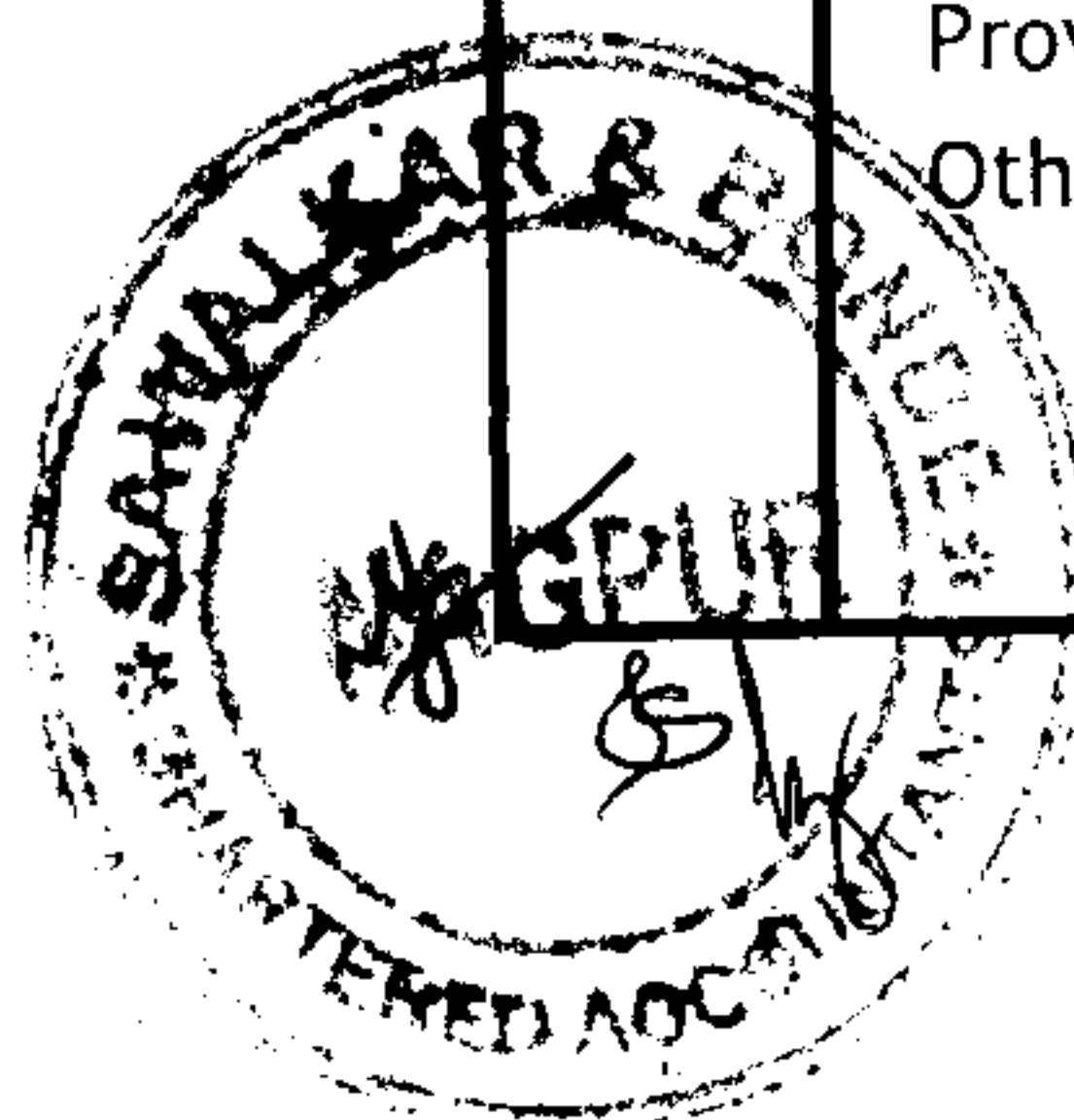
Note No	Particulars	As at March 31, 2016	As at March 31, 2015
2.02	<b>RESERVES AND SURPLUS</b>		
	<b>A. Capital reserve</b>		
	Grant from PWD	1,47,55,04,000	1,06,39,74,000
	<b>Sub total (A)</b>	<b>1,47,55,04,000</b>	<b>1,06,39,74,000</b>
	<b>B. Securities premium account</b>		
	Balance as per the last financial statements	2,04,86,70,000	2,00,20,50,000
	Add: premium on issue of equity shares	-	4,66,20,000
	<b>Sub total (B)</b>	<b>2,04,86,70,000</b>	<b>2,04,86,70,000</b>
	<b>Total (A +B)</b>	<b>3,52,41,74,000</b>	<b>3,11,26,44,000</b>
2.03	<b>LONG - TERM BORROWINGS</b>		
	<b>Term loans (secured)</b>		
	<b>Regular:</b>		
	A. Term loans from banks	2,52,57,32,361	2,40,71,56,541
	B. Term loans from financial institutions	61,40,00,000	54,02,58,460
	<b>Priority Debt:</b>		
	A. Term loans from banks	52,68,82,000	-
	B. Term loans from financial institutions	12,81,00,000	-
	<b>Bridge loan:</b>		
	A. Bridge loan from banks	30,00,00,000	-
	<b>Total</b>	<b>4,09,47,14,361</b>	<b>2,94,74,15,001</b>
	<p>(i) <b>Security terms</b> : The term loan is secured pari pasu first charge on all the borrower's movables, machineries, spares, tools and accessories, furniture and fixtures, vehicles, goodwill, rights, undertakings and all other movable assets (present &amp; future) except project assets, immovable property both present and future, operating cash flows, book debts, toll collection, receivables, revenue to be received from Government of Maharashtra, Public Works Department (PWD) and any other revenues relating to four laning &amp; improvement of Karanji-Wani-Ghuggus-Chandrapur (up to padoli junction) road of MSH-6 &amp; 7 in Yavatmal &amp; Chandrapur District length 85.112 Kms in the state of Maharashtra on a BOT basis, Borrower's bank account, escrow account, DSRA and each of any other accounts required to be created by the borrower under any project document or contract and insurance contracts. Pursuant to the approved restructuring scheme by the consortium lenders, additional security has been provided for including the personal guarantee of Mr. E Sudhir Reddy, promoter of IVRCL Group for outstanding term loan , Priority Debt and Stand by facility along with pledge of 51% of shares held by the Promoters.</p>		



**IVRCL CHANDRAPUR TOLLWAYS LIMITED**
**Significant accounting policies and notes to financial statements**

INR

Note No	Particulars	As at March 31, 2016	As at March 31, 2015
	<p>(ii) <b>Terms of interest:</b> Interest payable to lenders on monthly basis linked to lead bank base rate (Bank of India) plus applicable spread. The spread shall remain fixed till the COD. The interest rate and spread shall be reset on COD and every year there after.</p> <p>(iii) <b>Terms of repayment :</b> (A) <b>Existing Term Loan :</b> Term loans are repayable in 48 structured quarterly installments commencing from 3 months after expected COD subject to consortium lenders consideration ranging from INR 78,50,000 to INR 15,70,00,000. The term loan drawn up to March 31, 2016 is INR 313,97,32,361 out of total term loan of INR 313,99,00,000.</p> <p>(B) <b>Priority Debt (PD) :</b> Priority Debt are repayable in 48 structured quarterly installments commencing from 3 months after expected COD subject to consortium lenders consideration ranging from INR 16,25,000 to INR 3,27,50,000. The Priority Debt drawn up to March 31, 2016 is INR 65,49,82,000 out of total</p> <p>(C) <b>Bridge Loan :</b> As per restructuring agreement Stand by facility availed in the form of bridge loan with LC sub limit repayable on receipt Grant from PWD, Govt. of Maharashtra . The stand by facility drawn up to March 31, 2016 is INR 30 Crs out of INR 98.27 Crs</p> <p><b>Interest</b>                      Due date is December 31, 2015 - Period of defaults - 91 days - Amount INR 61,337                      Due date is January 31, 2016 - Period of defaults - 60 days - Amount INR 1,73,97,987                      Due date is February 29, 2016 - Period of defaults - 31 days - Amount INR 2,96,57,769</p>		
2.04	<b>LONG - TERM PROVISIONS</b>		
	Provision for gratuity	48,750	15,549
	<b>Total</b>	<b>48,750</b>	<b>15,549</b>
2.05	<b>OTHER CURRENT LIABILITIES</b>		
	Dues to contractors	60,52,922	60,79,027
	Dues to consultants	2,72,490	6,27,643
	Dues to related parties	41,06,93,642	11,81,38,797
	Dues to auditor	1,30,625	1,27,950
	Dues to employees	37,418	35,078
	Statutory liabilities	1,07,09,960	14,76,798
	Employee benefits payable	71,171	80,000
	<b>Total</b>	<b>42,79,68,228</b>	<b>12,65,65,293</b>
2.06	<b>SHORT- TERM PROVISIONS</b>		
	Provision for taxation	24,03,982	16,09,110
	Provision for employee benefits	24,411	53,902
	Other provisions	8,51,72,878	6,28,07,601
	<b>Total</b>	<b>8,76,01,271</b>	<b>6,44,70,613</b>

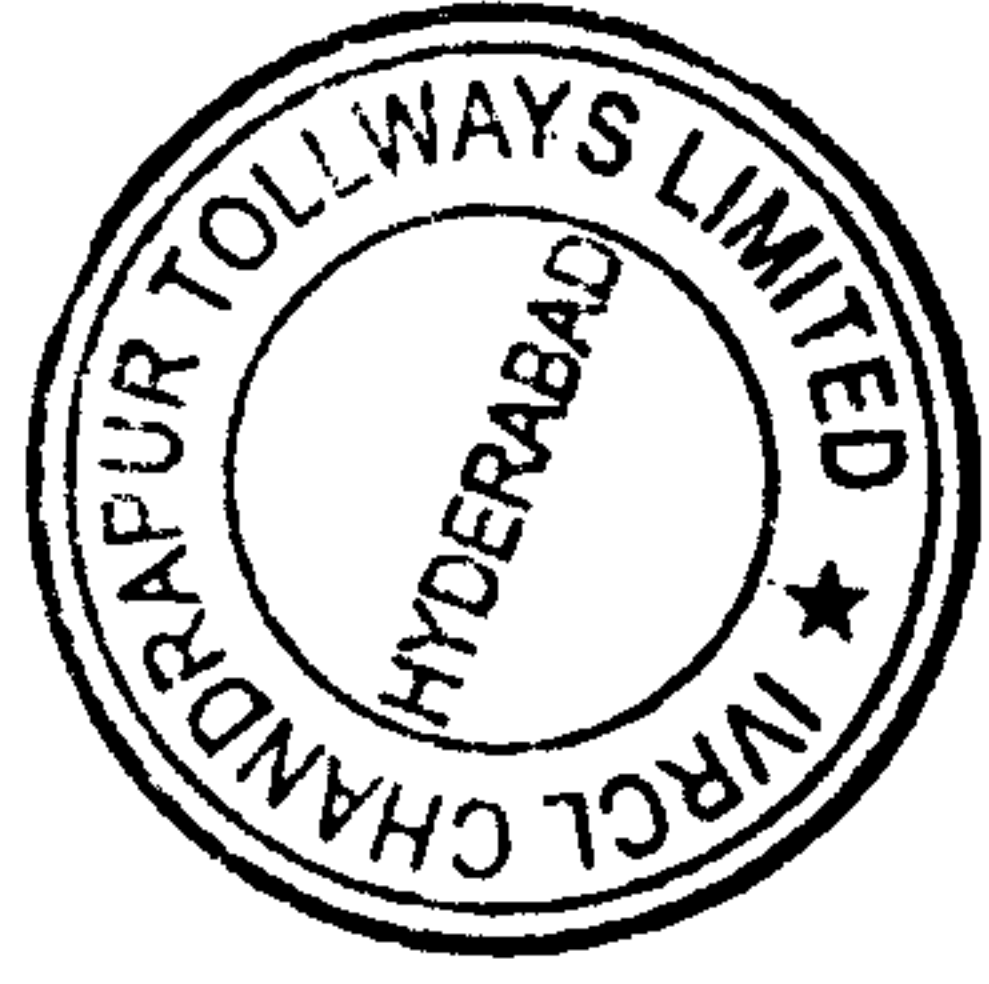


**IVRCL CHANDRAPUR TOLLWAYS LIMITED**

Significant accounting policies and notes to financial statements

2.07	TANGIBLE ASSETS										INR
	Name of the Asset	Gross block (at cost)			Depreciation			Net block			
		As at April 1, 2015	Additions during the year	As at March 31, 2016	Up to March 31, 2015	For the year	Up to March 31, 2016	As at March 31, 2016	As at March 31, 2015		
	Plant & machinery	2,09,84,849	-	2,09,84,849	39,72,754	14,82,130	54,54,884	1,55,29,965	1,70,12,095		
	Furniture	98,685	-	98,685	26,041	11,032	37,073	61,612	72,644		
	Vehicles (Light)	-	3,43,619	3,43,619	-	7,056	7,056	3,36,563	-		
	<b>Total</b>	<b>2,10,83,534</b>	<b>3,43,619</b>	<b>2,14,27,153</b>	<b>39,98,795</b>	<b>15,00,218</b>	<b>54,99,013</b>	<b>1,59,28,140</b>	<b>1,70,84,739</b>		
	Previous year	2,10,83,534	-	2,10,83,534	25,09,712	14,89,083	39,98,795	1,70,84,739	1,85,73,822		

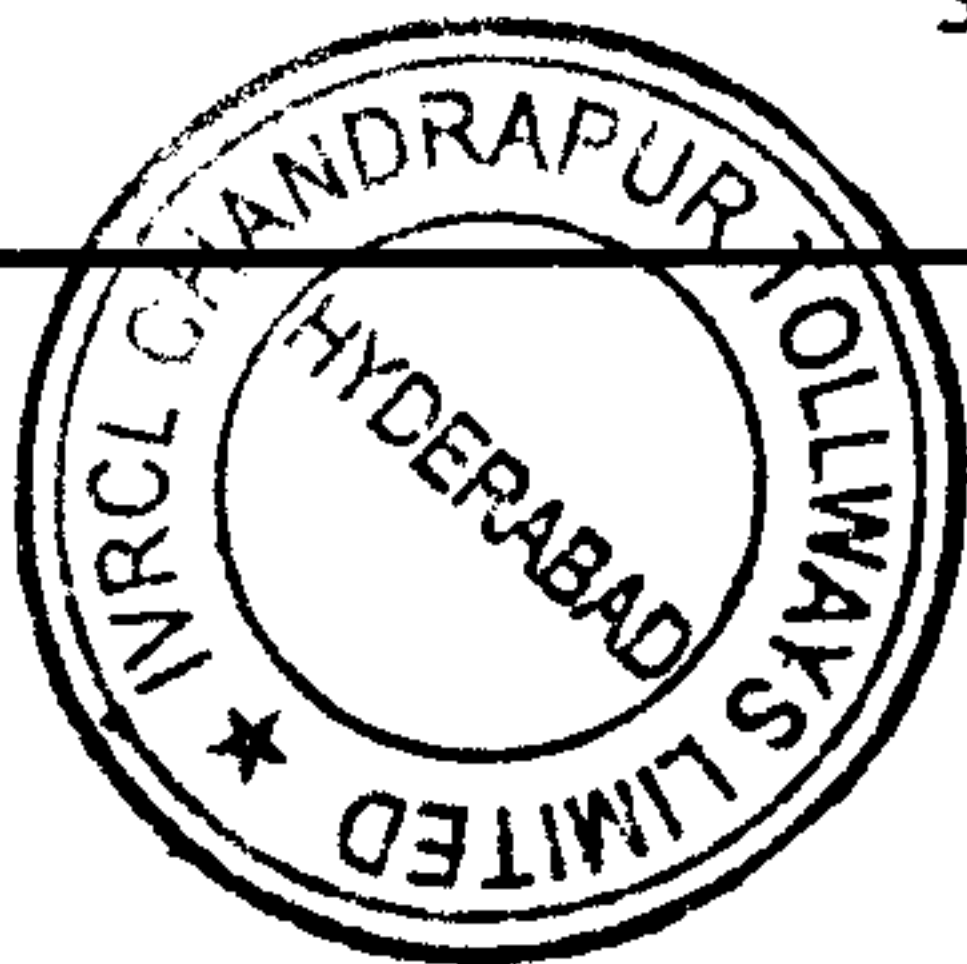
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**IVRCL CHANDRAPUR TOLLWAYS LIMITED**
**Significant accounting policies and notes to financial statements**

INR

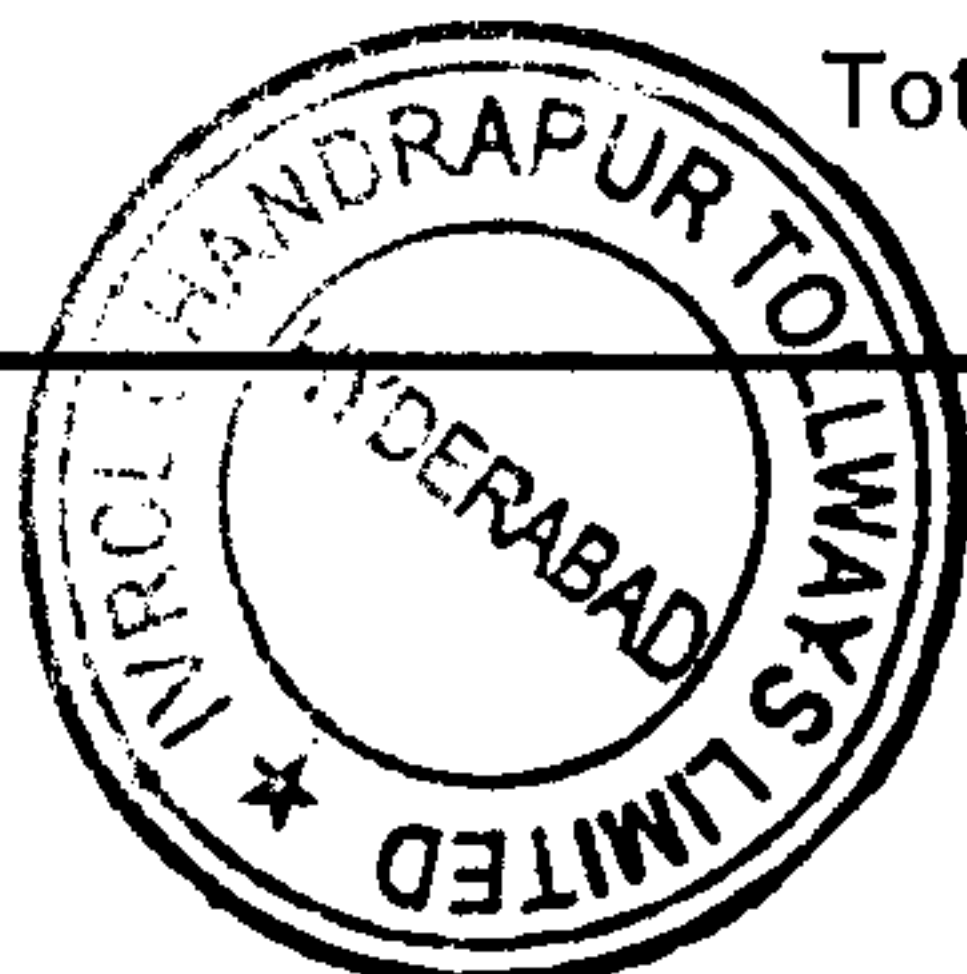
Note No	Particulars	As at March 31, 2016	As at March 31, 2015
2.08	<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>		
	Opening Balance	5,93,58,20,582	5,07,59,66,890
	Contractors work bills	1,89,63,25,497	51,56,65,341
	Project development expenditure	20,51,581	30,89,901
	EB pole shifting expenditure	11,35,238	62,89,723
	Salaries and other benefits	22,76,324	15,19,794
	Legal & professional charges	1,43,35,339	12,49,903
	Interest & financial charges	42,68,33,882	33,60,72,000
	Auditor's remuneration*	3,16,551	3,08,990
	Administration and other expenses	15,74,888	5,63,198
	Income tax	7,94,872	46,738
	Depreciation	15,00,218	14,89,083
		<b>8,28,29,64,972</b>	<b>5,94,22,61,561</b>
	<u>Less:</u>		
	Income		
	EB pole shifting income	11,35,238	62,89,723
	Income from mutual funds (Gross)	22,03,711	29,301
	Interest received on WCT receivable	3,68,691	1,21,955
	Interest received on IT refund	1,13,781	-
	Excess provision written off	59,356	-
		<b>38,80,777</b>	<b>64,40,979</b>
	<b>Total</b>	<b>8,27,90,84,195</b>	<b>5,93,58,20,582</b>
	<b>Auditor's remuneration*</b>		
	Statutory Audit fee	1,45,175	1,40,450
	Tax Audit fee	1,14,250	1,12,360
	Certification fee	57,126	56,180
	<b>Total</b>	<b>3,16,551</b>	<b>3,08,990</b>
2.09	<b>LONG TERM LOANS AND ADVANCES</b>		
	<b>A. Capital advances</b>		
	Unsecured, considered good		
	Advance to IVRCL Limited, Holding company	4,20,50,873	43,15,26,934
	<b>Sub total (A)</b>	<b>4,20,50,873</b>	<b>43,15,26,934</b>



**IVRCL CHANDRAPUR TOLLWAYS LIMITED**
**Significant accounting policies and notes to financial statements**

INR

Note No	Particulars	As at March 31, 2016	As at March 31, 2015
	<b>B. Other loans and advances</b>		
	TDS receivable	31,41,009	37,50,403
	TCS receivable	9,02,000	9,02,000
	Works contract tax receivable	1,48,800	21,82,258
	Deposits with statutory / govt. authorities	25,000	25,000
	<b>Sub total (B)</b>	<b>42,16,809</b>	<b>68,59,661</b>
	<b>Total (A+B)</b>	<b>4,62,67,682</b>	<b>43,83,86,595</b>
<b>2.10</b>	<b><u>OTHER NON CURRENT ASSETS</u></b>		
	Unamortized expenses (Preliminary expenses)	7,59,236	7,59,236
	<b>Total</b>	<b>7,59,236</b>	<b>7,59,236</b>
<b>2.11</b>	<b><u>CASH AND BANK BALANCES</u></b>		
	<b>Cash and cash equivalents</b>		
	Balances with banks :		
	On current accounts	11,78,120	6,21,74,745
	Cash on hand	8,020	17,032
	<b>Total</b>	<b>11,86,140</b>	<b>6,21,91,777</b>
	<b>B. Other bank balances</b>		
	Deposits with original maturity of less than 12 months	-	-
	<b>Sub total</b>	<b>-</b>	<b>-</b>
	<b>Total (A+B)</b>	<b>11,86,140</b>	<b>6,21,91,777</b>
<b>2.12</b>	<b><u>SHORT TERM LOANS AND ADVANCES</u></b>		
	<b>Advances recoverable in cash or kind</b>		
	Security deposit receivable from PWD	84,45,737	84,45,737
	Advance to Holding Company, IVRCL Limited	13,00,378	-
	Others	1,65,001	10,76,452
	<b>Total</b>	<b>99,11,116</b>	<b>95,22,189</b>
<b>2.13</b>	<b><u>OTHER CURRENT ASSETS</u></b>		
	Receivable from PWD	95,00,101	1,54,75,338
	<b>Total</b>	<b>95,00,101</b>	<b>1,54,75,338</b>



**IVRCL CHANDRAPUR TOLLWAYS LIMITED**

**Significant accounting policies and notes to financial statements**

2.14 The company has continued the highway project work during the period and the project development expenditure incurred aggregating to INR 8,27,90,84,195 (previous year - INR 593,58,20,582) (net of Income earned during the period) is classified under 'Intangible asset under development'.

2.15 There have been no reported transactions during the year with Micro and Small Enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006. Hence reporting details of principal and interest does not arise.

**2.16 Employee Benefits**

**A. Gratuity**

This is a defined benefit plan the liability for which is determined on the basis of actuarial valuation & considered as long term liability.

**B. Accounting policy for recognizing actuarial gains and losses.**

Immediate recognition in the Statement of Profit and Loss.

C. The scheme provides for a lump sum benefit, subject to a vesting period of 5 years in case of early separation, based on final salary and years of service

**D. Actuarial Valuation method: Projected unit credit**

E. **Leave benefits:** This is a defined benefit plan the liability for which is determined on the basis of actuarial valuation and considered a short term liability which is determined in accordance with AS (15) - Employee benefits.

Disclosure required in accordance with the AS-15

Particulars	INR	
	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Gratuity</b>		
No. of employees	1	1
Salary	18,313	16,125
Discontinuance liability	-	-
Actuarial liability	48,750	15,549
<b>Leave encashment</b>		
No. of employees	1	1
Salary	18,313	16,125
Discontinuance liability	-	-
Actuarial liability	24,411	53,902

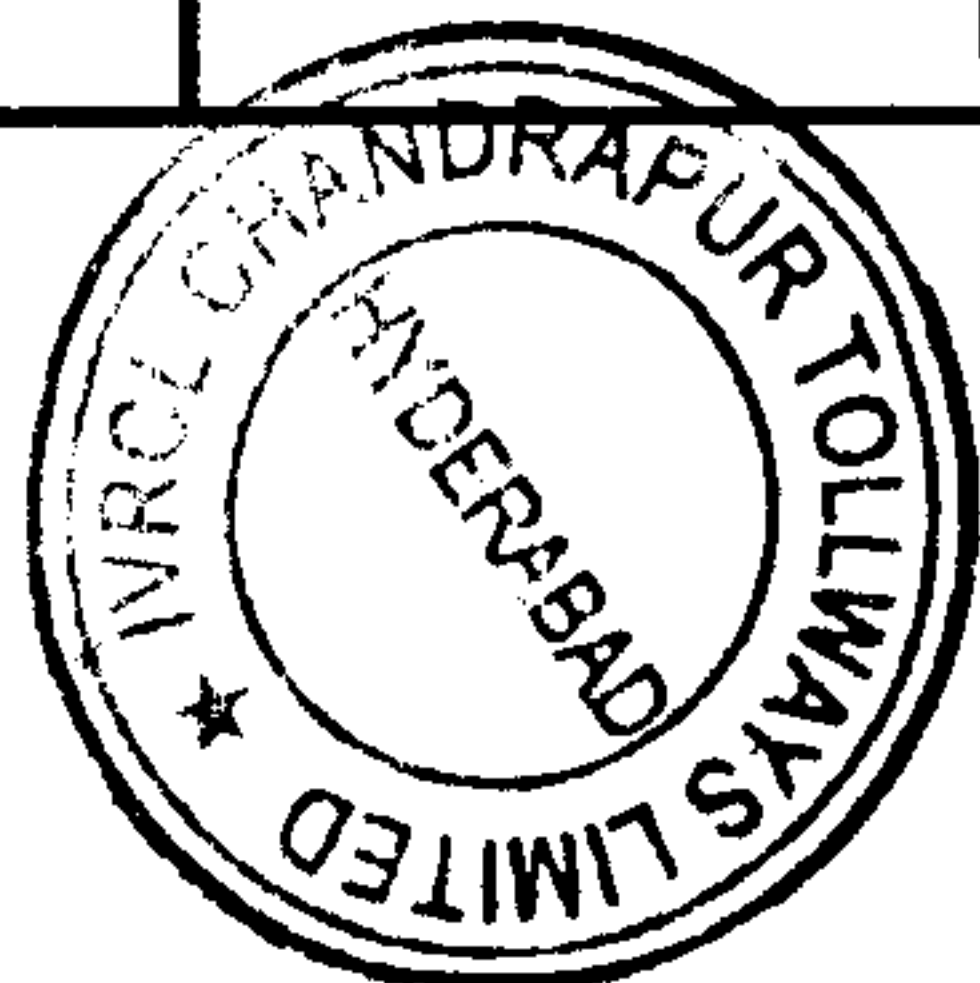
**2.17 Contingent liabilities & commitments (to the extent not provided for)**

**Capital commitments:**

INR

Particulars	INR	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	12,95,47,603	1,29,79,75,779
<b>Total</b>	<b>12,95,47,603</b>	<b>1,29,79,75,779</b>

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**IVRCL CHANDRAPUR TOLLWAYS LIMITED**

**Significant accounting policies and notes to financial statements**

**2.18 Related party disclosures**

Information regarding related party transactions as per Accounting Standard AS-18 related party disclosures notified by companies (Accounting Standards) Rules, 2006.

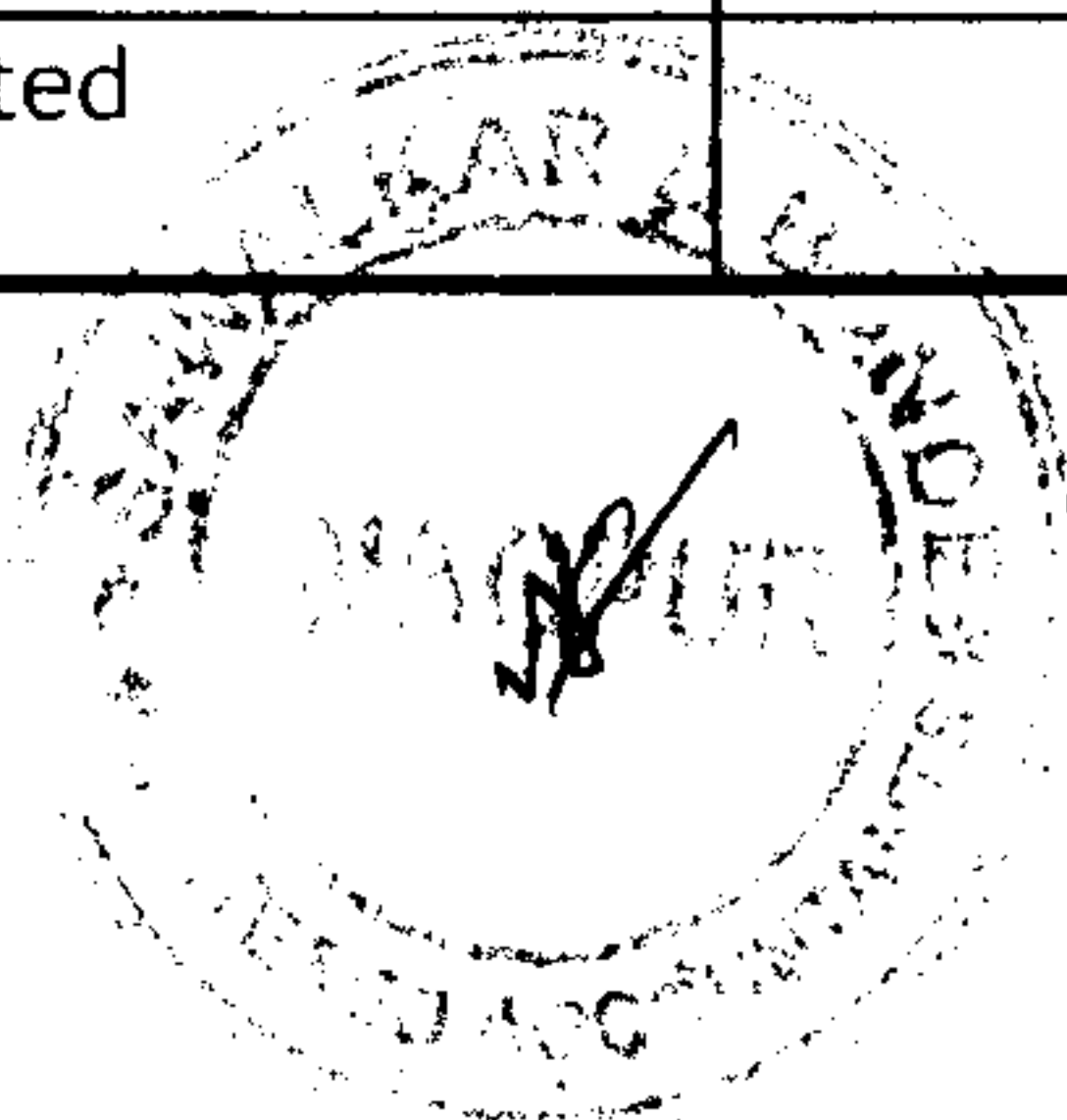
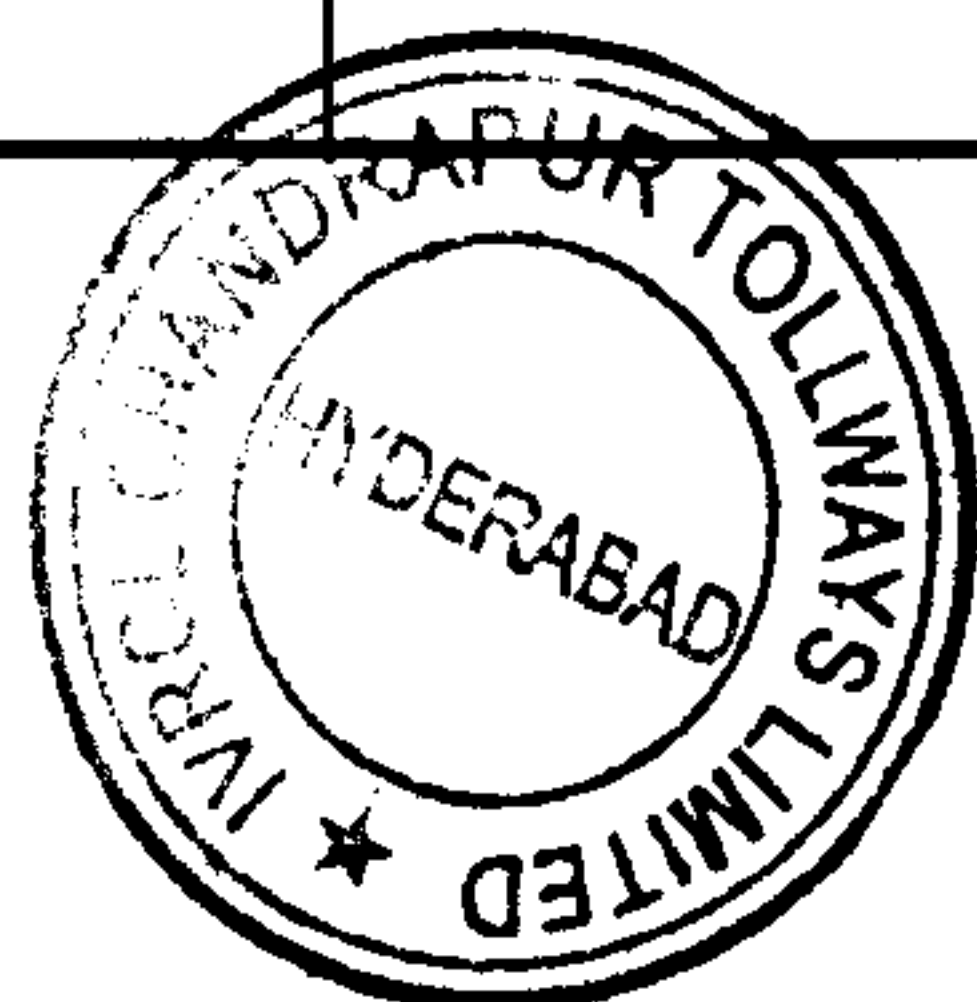
**A. Holding Company**

IVRCL Limited

**B. Fellow subsidiary companies { The ownership, directly or indirectly through subsidiary (ies)}**

S.No.	Name of the subsidiary	S.No.	Name of the subsidiary
1	IVRCL PSC Pipes Limited	2	RIHIM Developers Private Limited
3	IVRCL TLT Private Limited	4	Chodavaram Developers Private
5	IVRCL Steel Construction & Services Limited	6	Gajuwaka Developers Private Limited
7	IVRCL Cadagua Hogenakkal Water Treatment Company Private Limited	8	IVR Prime Developers ( Amalapuram ) Private Limited
9	IVRCL Lanka (Private) Limited - Foreign Company	10	IVR Prime Developers ( Araku ) Private Limited
11	IVR Enviro Projects Private Limited	12	IVR Prime Developers ( Erode ) Private Limited
13	IVRCL Solar Energy Private Limited	14	IVR Prime Developers ( Guntur ) Private Limited
15	IVRCL Building Products Limited	16	IVR Vaanaprastha Private Limited
17	IVR Prime Developers (Guindy) Private Limited	18	IVR PUDL Resorts & Clubs Private Limited
19	IVR Prime Developers (Palakkad) Private Limited	20	Simhachalam Prime Developers Private Limited
21	Salem Tollways Limited	22	Siripuram Developers Private Limited
23	Chennai Water Desalination Limited	24	IVRCL Megamalls Limited
25	Kumarapalayam Tollways Limited	26	Tirumani Developers Private Limited
27	SPB Developers Private Limited	28	Annupampattu Developers Private Limited
29	IVRCL Indore Gujarat Tollways Limited	30	Samatteri Developers Private Limited
31	IVRCL Gundugolanu Rajahmundry Tollways Limited	32	Agaram Developers Private Limited
33	Chengapalli Road Infra Private	34	Ilavampedu Developers Private
35	IVRCL Chandrapur Tollways Limited	36	Mummidi Developers Private Limited
37	HDO Zambia Limited	38	HDO (UK) Limited
39	IVRCL Raipur-Bilaspur Tollways Limited	40	IVR Prime Developers ( Adayar ) Private Limited
41	IVRCL Narnaul Bhiwani Tollways Limited	42	IVR Prime Developers ( Egmore ) Private Limited
43	IVRCL Chengapalli Tollways Limited	44	Absorption Aircon Engineer Private Limited
45	IVRCL Patiala Bathinda Tollways Limited	46	IVR Prime Developers ( Bhimavaram ) Private Limited
47	First STP Private Limited	48	IVR Prime Developers ( Bobbili ) Private Limited

*[Handwritten signature]*



**IVRCL CHANDRAPUR TOLLWAYS LIMITED**
**Significant accounting policies and notes to financial statements**

49	Alkor Petroo Limited	50	IVR Prime Developers ( Red Hills ) Private Limited
51	IVRCL Patalaganga Truck Terminals Private Limited	52	IVR Prime Developers ( Tuni ) Private Limited
53	IVR Hotels and Resorts Limited	54	IVR Prime Developers (Tambaram) Private Limited
55	Duvvda Developers Private Limited	56	Bibinagar Developers Private Limited
57	Eluru Developers Private Limited	58	Sapthashva Solar Limited
59	Geo Prime Developers Private Limited	60	Rudravaram Developers Private Limited
61	Kasibugga Developers Private Limited	62	Theata Developers Private Limited
63	Vedurwada Developers Private Limited	64	Kunnam Developers Private Limited
65	Vijayawada Developers Private Limited	66	Geo IVRCL Engineering Limited
67	Hindustan Dorr Oliver Limited	68	Davymarkham India Private Limited
69	HDO Technologies Limited	70	IVRCL Goa Tollways Limited *
71	IVRCL Multilevel Car Parking Private Limited *		

\* Applied for closure under Fast Track Exit ( FTE) scheme with Registrar of Companies .

**C. Associates of Holding Company:**

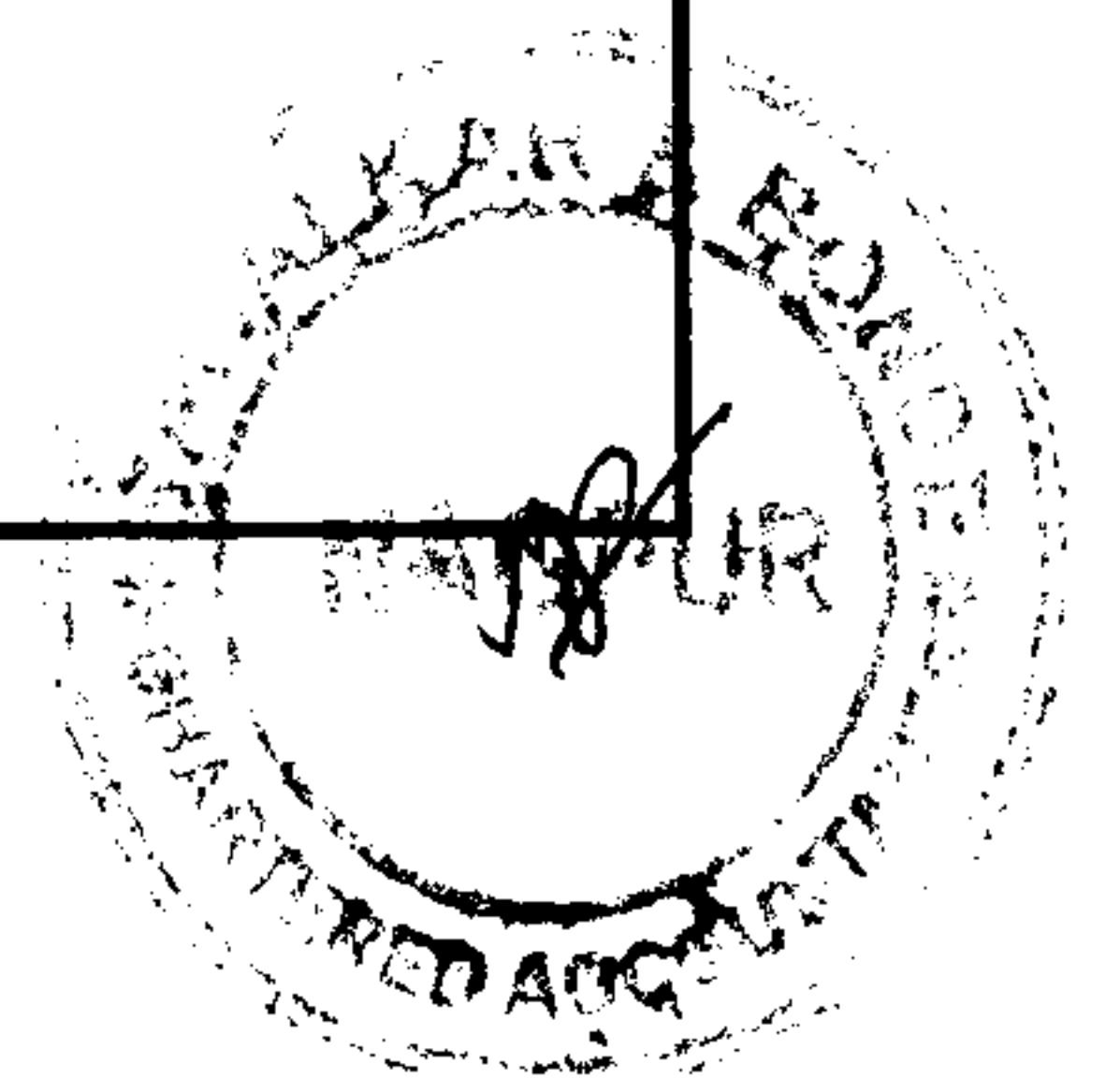
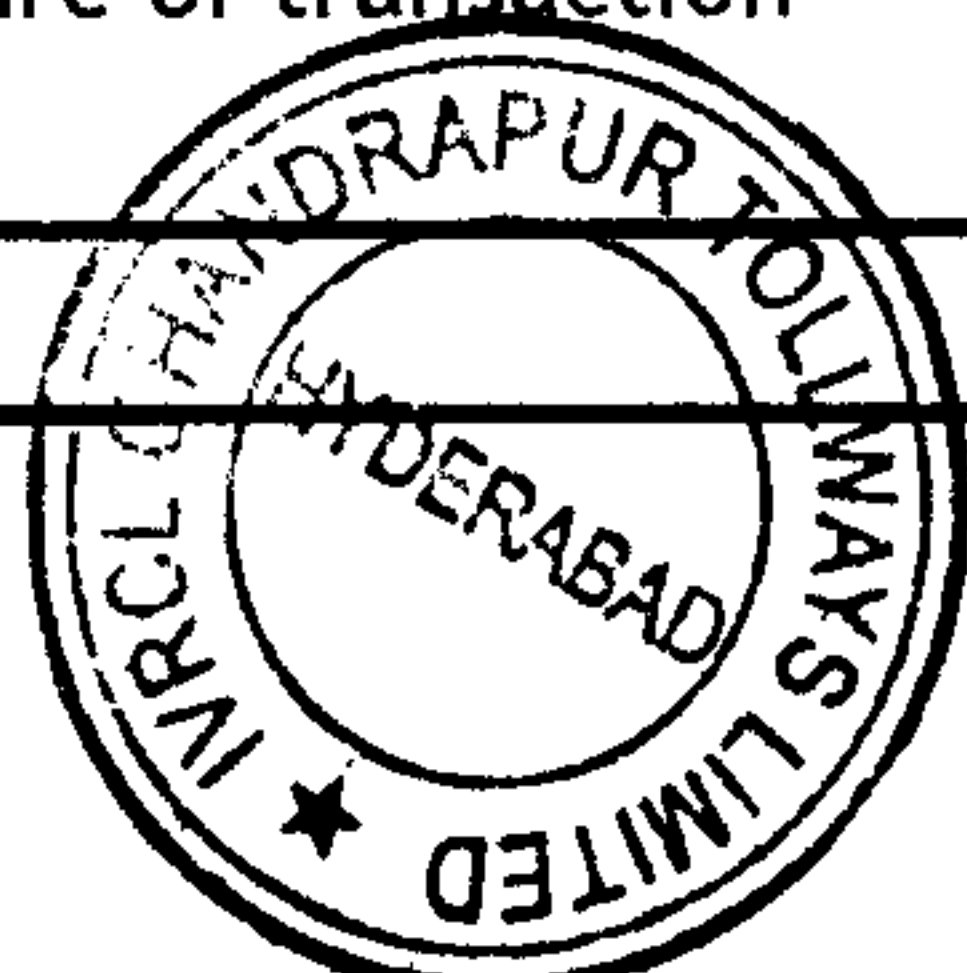
S.No	Name of the associate
1	Sushee IVRCL Arunachal Highways Limited
2	Viva Infrastructures Private Limited
3	Paresh Infrastructure Private Limited
4	IVRCL International Infrastructures & Projects Limited

**D. Key Management Personnel :**

S. No	Name of the official	Designation	Date of appointment	Date of resignation
1	Sri Vinod Nagnath Kulkarni	Director	October 21, 2010	-
2	Sri Rajesh Kumar L Mamidwar	Director	October 21, 2010	-
3	Sri Balaji Sethuraman	Director	May 3, 2014	-
4	Mrs. Sree Chandana Gorle	Independent Director	March 31, 2015	-
5	Mrs. Hima Bindu Myneni	Independent Director	March 31, 2015	-
6	Mr. Baba Kishore M	Manager & CFO	March 31, 2015	May 27, 2016
7	Mr. Nagendra Kumar S	Manager & CFO	May 27, 2016	-

**E. The following are the balances of IVRCL Limited, Holding company:**

S. No.	Nature of transaction	INR	
		During the year March 31, 2016	During the year March 31, 2015
1	Work bills	1,89,63,25,497	51,56,65,341



**IVRCL CHANDRAPUR TOLLWAYS LIMITED**

**Significant accounting policies and notes to financial statements**

S. No.	Balance outstanding	As at March 31, 2016	As at March 31, 2015
1	Payable for expenses (Cr)	(13,00,378)	21,60,340
2	Payable for contractor work bills (Cr)	41,06,93,642	11,59,78,457
3	Withheld as security deposit (Cr.)	24,59,411	24,59,411
4	Mobilization advance (Dr)	4,20,50,873	43,15,26,934

**Guarantee given by IVRCL limited, Holding Company on behalf of the Company**

S. No.	Nature	As at March 31, 2016	As at March 31, 2015
1	Mobilization advance (Corporate Guarantee)	-	1,00,90,00,000

**2.19 Additional Information :**

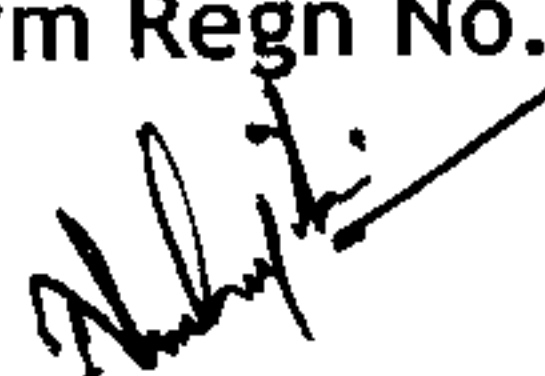
- A. Expenditure in foreign currency Nil  
 B. CIF value of import Nil  
 C. FOB value of export Nil

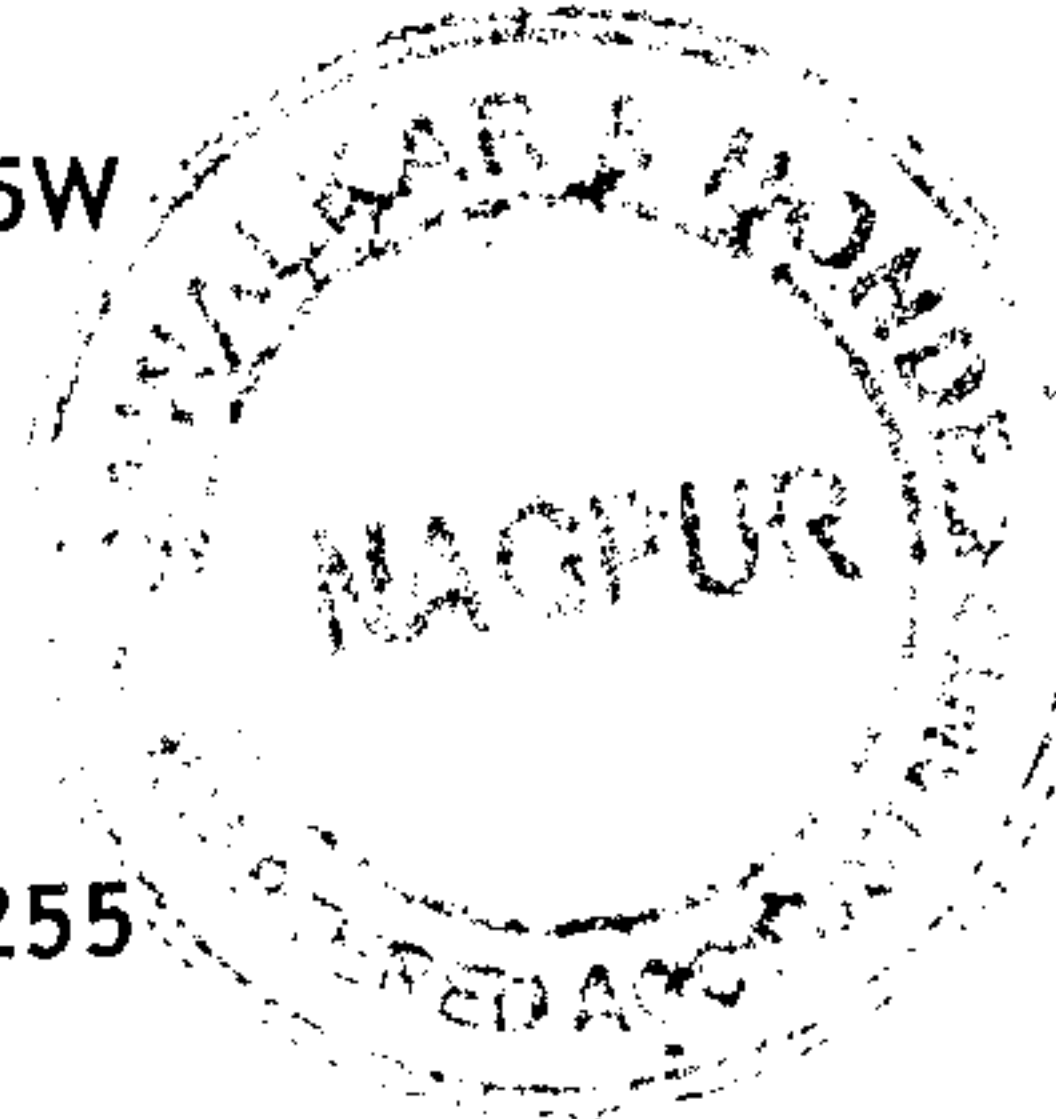
**2.20** No Statement of Profit & Loss has been drawn as the project of the company is under implementation phase.

**2.21** Our Report on financial statements and other related matter is subjected to Independent Engineer's report, jointly appointed by PWD Govt. of Maharashtra & the Company.


**2.22** Figures for the previous year have been regrouped / reclassified wherever necessary.


For Sawalkar & Bonde  
 Chartered Accountants  
 Firm Regn No. : 100475W

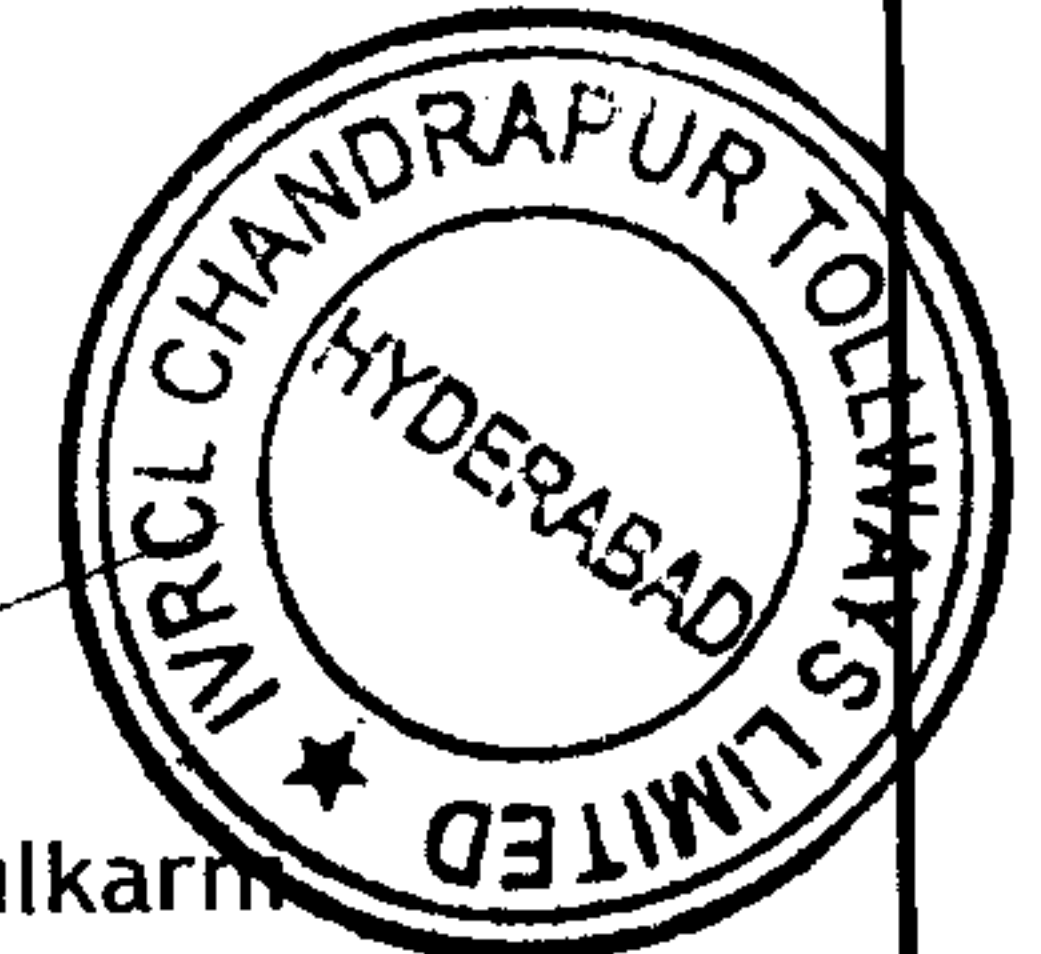
  
 Nishant M Gajbi  
 Partner  
 Membership No. : 130255




For and on behalf of the Board

  
 Balaji Sethuraman  
 Director  
 DIN:06874683

  
 Vinod Nagnath Kulkarni  
 Director  
 DIN:00713232



Place : Hyderabad  
 Date : May 27, 2016

  
 Nagendra Kumar S  
 Manager & CFO