ITNL INTERNATIONAL PTE. LTD.

FINANCIAL STATEMENTS

2016-2017

SPECIAL PURPOSE FINANCIAL STATEMENTS
ITNL INTERNATIONAL PTE. LTD., SINGAPORE
Balance sheet as at March 31, 2017

Equivalent ₹

Particulars	Note No	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
ASSETS							
Non-current Assets							
(a) Property, plant and equipment	4		7,442,532		13,087,497		1,162,435
(b) Capital work-in-progress			-		-		-
(c) Investment property			-		-		-
(d) Intangible assets							
(i) Goodwill		-		-		-	
(ii) under SCA	4.1	-		-		-	
(iii) others	4.1	3,148,586		953,153		-	
(iv) Intangible assets under development	4.1	-	3,148,586	-	953,153	-	-
(e) Financial assets							
(i) Investments	5						
a) Investments in Subsidiaries		6,426,593,401		950,266,927		460,144,969	
b) Investments in associates		-		1,256,227,385		1,185,358,653	
c) Investments in joint ventures		10,897,018,001		11,148,155,657		10,519,244,313	
d) Other investments		-	17,323,611,402	-	13,354,649,969	-	12,164,747,935
(ii) Trade receivables	6		-		-		-
(iii) Loans	7		72,909,064		17,149,404		691,389,103
(iv) Other financial assets	8		3,685,938		4,425,811		1,281,870
(f) Other non-current assets	10		-		-		-
Total Non-current Assets			**17,410,797,522**		**13,390,265,834**		**12,858,581,343**
Current Assets							
(a) Inventories			-		-		-
(b) Financial assets							
(i) Investments		-		-		-	
(ii)Trade receivables	6	-		84,907,327		16,578,237	
(iii) Cash and cash equivalents	9	296,515,750		394,891,651		20,243,476	
(iv) Bank balances other than (iii) above	9	216,556,169		369,331,187		126,026,576	
(v) Loans	7	1,106,662,535		381,461,485		-	
(vi) Other financial assets	8	11,305,157	1,631,039,611	16,985,633	1,247,577,283	3,671,030	166,519,319
(c) Current tax assets (Net)			-		-		-
(d) Other current assets	10		3,851,486		9,528,912		2,699,399
			1,634,891,097		**1,257,106,195**		**169,218,718**
Assets classified as held for sale			-		-		-
Total Current Assets			**1,634,891,097**		**1,257,106,195**		**169,218,718**
Total Assets			**19,045,688,619**		**14,647,372,029**		**13,027,800,061**
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital	11	7,584,886,471		3,569,721,723		3,219,473,660	
(b) Other Equity	11	(1,698,110,134)		(1,806,685,074)		(2,246,668,194)	
Equity attributable to owners of the Company			**5,886,776,337**		**1,763,036,649**		**972,805,466**
Non-controlling Interests			-		-		-
Total Equity			**5,886,776,337**		**1,763,036,649**		**972,805,466**
LIABILITIES							
Non-current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	12	-		11,754,991,595		11,361,815,354	
(ii) Trade payables	17	-		-		-	
(iii) Other financial liabilities	13	-	-	-	11,754,991,595	-	11,361,815,354
(b) Provisions	14		-		-		-
(c) Other non-current liabilities	15		-		-		-
Total Non-current Liabilities			**-**		**11,754,991,595**		**11,361,815,354**
Current liabilities							
(a) Financial liabilities							
(i) Borrowings	16	437,032,394		-		-	
(ii) Trade payables	17	19,263,165		23,942,231		83,579,769	
(iii) Current matutities of long term debt	13	11,163,160,013					
(iv) Other financial liabilities	13	1,536,037,209	13,155,492,781	1,101,048,393	1,124,990,624	605,900,392	689,480,161
(b) Provisions	14		2,780,244		4,302,800		2,628,814
(c) Current tax liabilities (Net)	18		-		-		1,026,747
(d) Other current liabilities	15		639,257		50,361		43,519
			13,158,912,282		1,129,343,785		693,179,241
Total Current Liabilities			**13,158,912,282**		**1,129,343,785**		**693,179,241**
Total Liabilities			**13,158,912,282**		**12,884,335,380**		**12,054,994,595**
Total Equity and Liabilities			**19,045,688,619**		**14,647,372,029**		**13,027,800,061**

Notes 1 to 32 forms part of the special purpose financial statements.

For and on behalf of the Board

Sd/-

Sd/-

Sd/-

SPECIAL PURPOSE FINANCIAL STATEMENTS
ITNL INTERNATIONAL PTE. LTD., SINGAPORE
Statement of profit and loss for the year ended March 31, 2017

Equivalent ₹

Particulars	**Note No**	**Year ended March 31, 2017**	**Year ended March 31, 2016**
Revenue from Operations	19	18,559,926	73,315,339
Other income	20	1,422,326,157	1,362,152,109
Total Income		**1,440,886,083**	**1,435,467,448**
Expenses			
Employee benefits expense	21	59,753,731	91,630,127
Finance costs	22	993,350,184	994,647,994
Depreciation and amortisation expense		6,668,903	4,261,829
Impairment loss on financial assets	24	1,609,805	-
Other expenses	23	119,530,957	134,067,837
Total expenses		**1,180,913,580**	**1,224,607,787**
Profit before exceptional items and tax		**259,972,503**	**210,859,661**
Add: Exceptional items		-	-
Profit before tax		**259,972,503**	**210,859,661**
Less: Tax expense	25		
(1) Current tax		48,246,229	61,494,001
(2) MAT credit entitlement		-	-
(3) Deferred tax		-	-
		48,246,229	**61,494,001**
Profit for the year		**211,726,274**	**149,365,660**
Other Comprehensive Income			
(i) Items that may be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations including the gain / loss on related hedging instrument		(157,154,935)	80,462,051
Total other comprehensive (loss)/income		**(157,154,935)**	**80,462,051**
Total comprehensive income for the year		**54,571,339**	**229,827,711**
Profit for the period attributable to:			
- Owners of the Company		211,726,274	149,365,660
		211,726,274	149,365,660
Other comprehensive (loss)/income for the period attributable to:			
- Owners of the Company		(157,154,935)	80,462,051
		(157,154,935)	80,462,051
Total comprehensive income for the period attributable to:			
- Owners of the Company		54,571,339	229,827,711
		54,571,339	229,827,711
Earnings per equity share (for continuing operation):			
(1) Basic (in Rs.)	26	2.27	2.27
(2) Diluted (in Rs.)	26	2.27	2.27

Notes 1 to 32 forms part of the special purpose financial statements.

For and on behalf of the Board

Sd/-

Sd/- Sd/-

SPECIAL PURPOSE FINANCIAL STATEMENTS
ITNL INTERNATIONAL PTE. LTD., SINGAPORE
Statement of cash flows for the year ended March 31, 2017

Equivalent ₹

Particulars	**Year ended March 31, 2017**	**Year ended March 31, 2016**
Cash flows from operating activities		
Profit for the year	211,726,274	149,365,660
Adjustments for:		
Income tax expense recognised in profit or loss (continuing and discontinued operations)	48,246,229	61,494,001
Finance costs recognised in profit or loss	993,350,184	994,647,994
Depreciation and amortisation of non-current assets (continuing operations)	6,668,903	4,261,829
Impairment loss of financial assets	1,609,805	-
Net foreign exchange (gain)/loss	(440,609,692)	(167,073,251)
Interest income	(37,610,308)	(14,778,039)
	783,381,395	**1,027,918,194**
Movements in working capital:		
(Increase)/decrease in trade and other receivables	91,449,949	(65,088,947)
(Increase)/decrease in other assets	5,617,396	(367,332,120)
Decrease in trade and other payables	(4,256,892)	(53,160,352)
Increase/(Decrease) in provisions	(1,465,980)	423,128
Increase in other liabilities	606,732	-
	91,951,205	(485,158,291)
Cash generated from operations	**875,332,600**	**542,759,903**
Income taxes paid	(56,581,805)	(60,514,460)
Net cash generated by operating activities (A)	**818,750,795**	**482,245,443**
Cash flows from investing activities		
Interest received	1,049,643	13,446,297
Amounts advanced to /received from related parties	(777,573,451)	678,973,076
Payments for intangible assets	(3,407,047)	(17,140,042)
Investments made in equity shares	(257,950,636)	(446,711,814)
Investment in other bank balance	148,543,965	(235,792,248)
Net cash (used in)/generated by investing activities (B)	**(889,337,526)**	**(7,224,731)**
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company including premium	-	381,770,389
Proceeds from borrowings	449,403,130	-
Interest paid	(470,829,306)	(506,795,254)
Net cash (used in)/ financing activities (C)	**(21,426,176)**	**(125,024,865)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(92,012,907)**	**349,995,847**
Cash and cash equivalents at the beginning of the year	394,891,651	20,243,476
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(6,362,994)	24,652,328
Cash and cash equivalents at the end of the year	**296,515,750**	**394,891,651**

Footnote : Non-cash transactions
During the current period, the Company entered into the following non-cash investing and financing activities which are not reflected in the statement of cash flows:

- in respect of the Company's purchase of interest in Elsamex SA from ITNL of Rs. 4131,604,537 had been swap against issue of equity share capital at the end of the reporting period;

Notes 1 to 32 forms part of the special purpose financial statements.

For and on behalf of the Board

Sd/- Sd/- Sd/-

SPECIAL PURPOSE FINANCIAL STATEMENTS
ITNL INTERNATIONAL PTE. LTD., SINGAPORE

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2017

Equivalent ₹

Statement of changes in equity for the	Year ended March 31, 2017	Year ended March 31, 2016
a. Equity share capital		
Balance as at the beging of the year	3,569,721,723	3,219,473,660
Changes in equity share capital during the year	4,015,164,748	350,248,063
Balance as at end of the year	**7,584,886,471**	**3,569,721,723**

Equivalent ₹

Statement of changes in equity for the year ended March 31, 2017								
b. Other equity	**Reserves and surplus**				**Items of other comprehensive income**			
	Securities premium reserve	**Foreign currency monetary items translation difference account**	**Retained earnings**	**Total**	**Foreign currency translation reserve**	**Total**	**Attributable to owners of the parent**	**Total**
Balance as at April 1, 2016	102,916,561	110,022,457	(2,100,086,143)	(1,887,147,125)	80,462,051	80,462,051	(1,806,685,074)	(1,806,685,074)
Profit for the year	-	-	211,726,274	211,726,274	-	-	211,726,274	211,726,274
Movement during the year (net)	116,439,789	(62,436,188)		54,003,601	-	-	54,003,601	54,003,601
Other comprehensive income for the period, net of income tax	-	-	-	-	(157,154,935)	(157,154,935)	(157,154,935)	(157,154,935)
Total comprehensive income for the year	**116,439,789**	**(62,436,188)**	**211,726,274**	**265,729,875**	**(157,154,935)**	**(157,154,935)**	**108,574,940**	**108,574,940**
Balance as at March 31, 2017	**219,356,350**	**47,586,269**	**(1,888,359,869)**	**(1,621,417,250)**	**(76,692,884)**	**(76,692,884)**	**(1,698,110,134)**	**(1,698,110,134)**

Equivalent ₹

Statement of changes in equity for the year ended March 31, 2016								
b. Other equity	**Reserves and surplus**				**Items of other comprehensive income**			
	Securities premium reserve	**Foreign currency monetary items translation difference account**	**Retained earnings**	**Total**	**Foreign currency translation reserve**	**Total**	**Attributable to owners of the parent**	**Total**
Balance as at April 1, 2015	71,394,236	(68,610,627)	(2,249,451,803)	(2,246,668,194)	-	-	(2,246,668,194)	(2,246,668,194)
Profit for the year	-	-	149,365,660	149,365,660	-	-	149,365,660	149,365,660
Movement during the year (net)	31,522,325	178,633,084		210,155,409	-	-	210,155,409	210,155,409
Other comprehensive income for the period, net of income tax	-	-	-	-	80,462,051	80,462,051	80,462,051	80,462,051
Total comprehensive income for the year	**31,522,325**	**178,633,084**	**149,365,660**	**359,521,069**	**80,462,051**	**80,462,051**	**439,983,120**	**439,983,120**
Balance as at March 31, 2016	**102,916,561**	**110,022,457**	**(2,100,086,143)**	**(1,887,147,125)**	**80,462,051**	**80,462,051**	**(1,806,685,074)**	**(1,806,685,074)**

General Information & Significant Accounting Policies

1. General information

ITNL International PTE. Limited (the Company) (Registration No. 200818474G) is incorporated in the Republic of Singapore with its registered office and principal place of business at 78 Shenton Way, Level 29-03, Singapore 079120 and its registered office at 8, Marina Boulevard, #05-02 Marina Bay Financial Centre, Singapore 018981. Its parent and ultimate holding company is IL&FS Transportation Networks Limited and Infrastructure Leasing & Financial Services Limited respectively.

The principal activity of the Company is that of investment holding. The Company has an establishment in Spain, in form of branch. The Company also has two representative offices in Chongqing, China and Hanoi, Vietnam.

The financial statements of the Company for the financial year ended March 31, 2017 were authorised for issue by the Board of Directors on May 26, 2017

The current share capital is historical ₹ 7,584.88 Mn and is held 100% by IL&FS Transportation Networks Limited ("ITNL"). IIPL has borrowings of INR 11,163.16 Million made up of INR 5,770.63 Million from fellow subsidiary i.e. ITNL Offshore Pte Ltd. (IOPL) for financing the acquisition of a 49% stake in a Toll Road Company in Chongqing, China and INR 5,392.52 Million through issue of Bonds. IIPL has borrowed funds from IOPL, which have been guaranteed by the parent company indirectly. These are the significant liabilities in the Company which are guaranteed by parent company either directly or indirectly. Accordingly, the financial statements have been prepared on a going concern basis.

The Company is assured of continuing operational and financial support from its parent company, vide its letter dated April 20, 2017 which is effective for the period of 12 months

The Company continues to grow its operations. The Company is therefore being viewed as a going concern and financial statements have been prepared under the going concern basis.

2. Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013. These are Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 2.17 for the details of first-time adoption exemptions availed by the Company.

2.2 Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date Fair value for measurement and/or disclosure purposes in these financial statements is determined on this basis.

The principal accounting policies are set out below.

2.3 Investments in associates and joint ventures

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not in control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries

If there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated, then it is necessary to recognise impairment loss with respect to the Company's investment in an associate.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is reduced from the carrying amount of the investment and recognised in the profit or loss. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases but the increase is restricted to the amounts that would arise had no impairment loss been recognised in previous years.

Upon loss of significant influence over the associate or joint control over the joint venture, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss

2.4 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.
This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Investment in unquoted equity shares (note 5)
- Property, plant and equipment (note 4)
- Financial instruments (including those carried at amortised cost) (note 31)

2.5 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

2.6 Foreign currencies

The Company's financial statements are presented in INR, which is also the parent company's functional currency.

In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

For the purposes of presenting these financial statements, the assets and liabilities of the Company's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. Partial disposals of associates or joint arrangements that do not result in the Company losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

2.7 Borrowing costs

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. All other borrowing costs including guarantee commission, are recognised in profit or loss in the period in which they are incurred.

2.8 Taxation

2.8.1 Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.8.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets (including unused tax credit and unused tax losses such as carried forward business loss and unabsorbed depreciation) are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

In financial statements, deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit of the respective companies in the Company.

2.9 Property, plant and equipment

Property, plant and equipment acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses, such as delivery and handling costs, installation, legal services and consultancy services, directly attributable to bringing the asset to the site and in working condition for its intended use.

All assets are depreciated on a Straight Line Method (SLM) of Depreciation, over the useful life of assets as prescribed under Schedule II of the Companies Act, 2013 other than assets specified in para below

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

Asset	Useful life based on SLM
Data Processing Equipment (Server & Networking)	4 years
Mobile Phones and I pad / Tablets	Fully depreciated in the year of purchase
Specialised office equipment’s	3 years
Vehicles	5 years
Leasehold improvements	Over the period of lease

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying of the asset and is recognised in profit or loss.

2.10 Intangible assets (other than those covered by SCAs)

Intangible assets, comprise of software and are depreciated as follow:

Asset Type	Useful Life
Licensed Software	4 years
Intellectual Property Rights	5 - 7 years

Intangible assets are reported at acquisition cost with deductions for accumulated amortisation and impairment losses, if any.

Acquired intangible assets are reported separately from goodwill if they fulfil the criteria for qualifying as an asset, implying they can be separated or they are based on contractual or other legal rights and that their market value can be established in a reliable manner.

An impairment test of such intangible assets is conducted annually or more often if there is an indication of a decrease in value. The impairment loss, if any, is reported in the Statement of Profit and Loss.

Intangible assets are amortised on a “straight line” basis over their estimated useful lives. The estimated useful life of software is four years.

2.11 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount rate.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at revalued amount, in which case impairment loss is treated as a revaluation decrease.

Goodwill is tested for impairment annually as at year end and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Company of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.13 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable

2.13.1 Project management fees

Project Management fees are recognised on an annual basis based on the Project Management Agreement entered with the parties.

2.13.2 Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.13.3 Dividend income

Dividend income from investments is recognised when the Company's right to receive payment has been established. A portion of the dividend income received from a jointly controlled entity is allocated as a reduction from the carrying amount of the investment as the Company considers it as a "return of investment". Such an allocation is based on the proportion of the dividend income earned by the Company to the total expected dividend income receivable over the period of income earning capacity.

2.14 Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ("FVTPL) are recognised immediately in the statement of profit and loss.

2.15 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.15.1 Classification of financial assets – debt instruments

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows;
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

2.15.2 Amortised cost and Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income & Expenses is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.15.3 Financial assets at FVTPL

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in FVOCI for equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost or FVOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost or FVOCI criteria but are designated as at FVTPL are measured at FVTPL.

A debt instrument that meets the amortised cost or FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. [The Company has not designated any debt instrument as at FVTPL.]

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the "Other income" line item.

2.15.4 Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:
a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b) Lease receivables under Ind AS 17
c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as ‘contractual revenue receivables’ in these illustrative financial statements)
d) Loan commitments which are not measured as at FVTPL
e) Financial guarantee contracts which are not measured as at FVTPL

the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. In cases where the amounts are expected to be realized upto one year from the date of the invoice, loss for the time value of money is not recognised, since the same is not considered to be material.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.15.5 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g., when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.15.6 Foreign Exchange Gain and Losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

- Changes in the carrying amount of investments in equity instruments at FVOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

2.15.7 Modification of Cash Flows of financial assets and revision in estimates of Cash flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with Ind AS 109, the Company recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred are adjusted to the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If the Company revises its estimates of payments or receipts (excluding modifications and changes in estimates of expected credit losses), it adjusts the gross carrying amount of the financial asset or amortised cost of a financial liability to reflect actual and revised estimated contractual cash flows.The Company recalculates the gross carrying amount of the financial asset or amortised cost of the financial liability as the present value of the estimated future contractual cash flows that are discounted at the financial instrument's original effective interest rate. The adjustment is recognised in profit or loss as income or expense.

2.16 Financial liabilities and equity instruments-

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

2.16.1 Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.16.2 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.16.2.1 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.16.2.2 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.16.2.3 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income' in the line-item 'Net foreign exchange gains/(losses)'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting year.

2.16.2.4 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.16.2.5 Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and

- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.17 First-time adoption optional exemptions

2.17.1 Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

2.17.2 Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

2.17.3 Accounting for changes in parent's ownership in a subsidiary that does not result in a loss of control

The Company has accounted for changes in a parent's ownership in a subsidiary that does not result in a loss of control in accordance with Ind AS 110, prospectively from the date of transition.

2.17.4 Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVOCI criteria based on the facts and circumstances that existed as of the transition date.

2.17.5 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

2.17.6 Deemed cost for property, plant and equipment, and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.17.7 Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

2.17.8 Cumulative translation differences on foreign operations

The Company has elected the option to reset the cumulative translation differences on foreign operations that exist as of the transition date to zero. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

2.17.9 Foreign Currency Monetary items

The Company had exercised the option of amortising / capitalizing the exchange differences arising on long-term foreign currency monetary items as given under Ministry of Corporate Affairs (MCA) Notification No. G.S.R 914(E) dated December 29, 2011.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.
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3.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

3.1.1 Determination of functional currency

The determination of the Company's functional currency often requires significant judgement where the primary economic environment in which the Company operates and the currency that mainly influence the underlying transactions, events and conditions that are relevant to the Company may not be clear. Accordingly, management determines that the most appropriate functional currency is the United States dollar, as it is the currency that most faithfully represents the economic effect of the underlying transactions, events, and conditions of the Company.

3.1.2 Key sources of estimation uncertainty

The key assumptions made concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below:

Determination of impairment losses on investment in associate and loans given to associate

Determining whether the Company's investment in an associate and loans given to an associate (which is also a fellow subsidiary) is impaired requires an estimation of the value in use of the associate (which is also a fellow subsidiary). The value in use calculation requires the Company to estimate the future cash flows expected from the investment in associate (which is also a fellow subsidiary) or its cash-generating units as well as to estimate of an appropriate discount rate in order to calculate the present value of the future cash flows. The management is of the view that there is no impairment to be recognised in respect of the Company's investment in associate (which is also a fellow subsidiary). The carrying amounts of the investment in associate and loan to associate are disclosed in Notes 5 to the financial statements respectively.

The Company prepares cash flow forecasts derived from the most recent financial budgets for the next five years. For the financial 2016, the rate used to discount the cash flows ranges between 8.00% and 8.50% (2015: between 7.75% and 8.25%) based on an estimated growth rate ranges between 1.50% and 2.00% (2015: between 1.50% and 2.00%).

As at March 31, 2017, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amounts to be below the carrying amounts.

Determination of impairment losses on investment in a jointly controlled entity

Determining whether the Company's investment in jointly controlled entity is impaired requires an estimation of the value in use of the jointly controlled entity. The value in use calculation requires the Company to estimate the future cash flows expected from the investment in jointly controlled entity or its cash-generating units as well as to estimate an appropriate discount rate in order to calculate the present value of the future cash flows. The management is of the view that there is no impairment to be recognised in respect of the Company's investments in jointly controlled entity. The carrying amounts of the investment in jointly controlled entity are disclosed in Note 5 to the financial statements.

The Company prepares cash flow forecasts derived from the most recent board approved financial budgets of the jointly controlled entity. The rate used to discount the cash flows ranges between 15.00% and 17.00% (2016: between 15.00% and 17.00%, 2015: between 15.00% and17.00%) based on a growth rate of Nil (2016: Nil, 2015: Nil).

As at March 31, 2017, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amounts to be below the carrying amounts.

Determination of impairment losses on investments and loans to subsidiaries

Determining whether the Company's investment in subsidiaries and loans given to subsidiaries is impaired requires an estimation of the value in use of the subsidiary. The value in use calculation requires the Company to estimate the future cash flows expected from the investment in subsidiaries or its cash-generating units as well as to estimate an appropriate discount rate in order to calculate the present value of the future cash flows. The carrying amounts of the investment in subsidiaries and loans to subsidiaries are disclosed in Notes 5 of these financial statements respectively.

For investment in Elsamex SA, the Company prepares cash flow forecasts derived from the most recent financial budgets for the next five years. The rate used to discount the cash flows ranges between 8.00% and 8.50% based on an estimated growth rate ranges between 1.50% and 2.00%.

For other subsidiaries, Management is of the view as the subsidiaries are in start-up stage and are either recently incorporated and/or has started winning new projects which are expected to be profitable. Accordingly, management is of the view that no impairment allowance is required for the investment and loan to subsidiaries.

SPECIAL PURPOSE FINANCIAL STATEMENTS
ITNL INTERNATIONAL PTE. LTD., SINGAPORE

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2017

Note 4. Property, plant and equipment

Equivalent ₹

Current year

Particulars	Cost or Deemed cost					Accumulated depreciation and impairment				Carrying Amount	
	Balance as at April 1, 2016	Additions	Effect of foreign currency exchange differences	Disposals	Balance at March 31, 2017	Balance as at April 1, 2016	Depreciation expense	Effect of foreign currency exchange differences	Balance at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Property plant and equipment											
Data processing equipments	1,580,887	-	(54,414)	-	1,526,473	433,442	457,095	(43,768)	846,767	679,704	1,147,445
Office equipments	2,860,090	-	(64,090)	-	2,796,000	354,745	580,508	(27,322)	907,931	1,888,069	2,505,345
Leasehold improvements	12,635,264	-	(284,638)	-	12,350,626	3,390,334	4,471,423	(225,285)	7,636,472	4,714,154	9,244,930
Furniture and fixtures	204,871	-	(4,740)	-	200,131	15,094	25,756	(1,324)	39,526	160,605	189,777
Subtotal	**17,281,112**	**-**	**(407,882)**	**-**	**16,873,230**	**4,193,615**	**5,534,782**	**(297,699)**	**9,430,696**	**7,442,532**	**13,087,497**
Capital work-in-progress	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**17,281,112**	**-**	**(407,882)**	**-**	**16,873,230**	**4,193,615**	**5,534,782**	**(297,699)**	**9,430,696**	**7,442,532**	**13,087,497**

Equivalent ₹

Previous year

Particulars	Cost or Deemed cost					Accumulated depreciation and impairment				Carrying Amount	
	Balance as at April 1, 2015	Additions	Effect of foreign currency exchange differences	Disposals	Balance at March 31, 2016	Balance as at April 1, 2015	Depreciation expense	Effect of foreign currency exchange differences	Balance at March 31, 2016	As at March 31, 2016	As at April 1, 2015
Property plant and equipment											
Data processing equipments	1,132,494	356,740	91,653	-	1,580,887	-	408,811	24,631	433,442	1,147,445	1,132,494
Office equipments	-	2,822,819	37,271	-	2,860,090	-	350,122	4,623	354,745	2,505,345	-
Leasehold improvements	-	12,470,608	164,656	-	12,635,264	-	3,346,134	44,200	3,390,334	9,244,930	-
Furniture and fixtures	29,941	170,757	4,173	-	204,871	-	14,772	322	15,094	189,777	29,941
Subtotal	**1,162,435**	**15,820,924**	**297,753**	**-**	**17,281,112**	**-**	**4,119,839**	**73,776**	**4,193,615**	**13,087,497**	**1,162,435**
Capital work-in-progress	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**1,162,435**	**15,820,924**	**297,753**	**-**	**17,281,112**	**-**	**4,119,839**	**73,776**	**4,193,615**	**13,087,497**	**1,162,435**

SPECIAL PURPOSE FINANCIAL STATEMENTS
ITNL INTERNATIONAL PTE. LTD., SINGAPORE

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2017

Note 4.1 Other intangible assets

Current year Equivalent ₹

Particulars	Cost or deemed cost					Accumulated depreciation and impairment					Carrying Amount	
	Balance as at April 1, 2016	Additions	Effect of foreign currency exchange differences	Disposals or classified as held for sale	Balance as at March 31, 2017	Balance as at April 1, 2016	Amortisation expense	Disposals or classified as held for sale	Effect of foreign currency exchange differences	Balance as at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Software / Licences acquired	1,097,001	3,313,600	(25,052)	-	4,385,549	143,848	1,134,121	-	(41,006)	1,236,963	3,148,586	953,153
Subtotal (a)	**1,097,001**	**3,313,600**	**(25,052)**	**-**	**4,385,549**	**143,848**	**1,134,121**	**-**	**(41,006)**	**1,236,963**	**3,148,586**	**953,153**
Rights under service concession arrangements (b)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Intangible assets under development (c)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (a+b+c)	**1,097,001**	**3,313,600**	**(25,052)**	**-**	**4,385,549**	**143,848**	**1,134,121**	**-**	**(41,006)**	**1,236,963**	**3,148,586**	**953,153**

Previous year Equivalent ₹

Particulars	Cost or deemed cost					Accumulated depreciation and impairment					Carrying Amount	
	Balance as at April 1, 2015	Additions from separate acquisitions	Effect of foreign currency exchange differences	Disposals or classified as held for sale	Balance as at March 31, 2016	Balance as at April 1, 2015	Amortisation expense	Disposals or classified as held for sale	Effect of foreign currency exchange differences	Balance as at March 31, 2016	As at March 31, 2016	As at April 1, 2015
Software / Licences acquired	-	1,082,362	14,639	-	1,097,001	-	141,990	-	1,858	143,848	953,153	-
					-					-	-	-
Subtotal (a)	**-**	**1,082,362**	**14,639**	**-**	**1,097,001**	**-**	**141,990**	**-**	**1,858**	**143,848**	**953,153**	**-**
Rights under service concession arrangements (b)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Intangible assets under development (c)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (a+b+c)	**-**	**1,082,362**	**14,639**	**-**	**1,097,001**	**-**	**141,990**	**-**	**1,858**	**143,848**	**953,153**	**-**

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2017

Note 5. Investments

5.1 Break-up of investments in subsidiaries

Equivalent ₹

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Qty	Amount	Qty	Amount	Qty	Amount
Unquoted Investments (all fully paid)						
Investments in Equity Instruments						
Elsamex S.A. (337,175 equity shares of Nominal Value Euro 60.10121 each - 100% stake)	337,175	5,246,665,791	-	-	-	-
ITNL Africa Projects Limited (432,300,000 equity shares of face value NAIRA 1 - 99.42% stake).	432,300,000	178,306,150	432,300,000	182,415,475	432,300,000	172,124,700
ITNL Intenational DMCC (31,900 equity shares as at March 31, 2017, 23,900 equity shares as at March 31, 2016 and 13,000 shares as at March 31, 2015 of face value AED 1,000/- each - 100% stake)	31,900	564,561,120	23,900	433,045,799	13,000	222,817,315
Sharjah General Services Co. LLC (49 Equity shares of Face Value AED 3000/- each) - 49% stake)	49	3,287,987	49	3,141,153	49	2,612,154
IIPL US LLC (6,000,000 Equity shares as at March 31, 2017, 5,000,000 Equity shares as at March 31, 2016 and 1,000,000 Equity shares as at March 31,2015 of Face value USD 1/- each, 100% voting in Equity shares)	6,000,000	389,031,600	5,000,000	331,664,500	1,000,000	62,590,800
ITNL Infrastructure Developer LLC (147 Equity shares of Face Value AED 1000/- each) - 49% stake)	147	2,595,663	-	-	-	-
Elsamex Vietnam Joint Stock Company (1,449,500 Equity shares of Face Value VND 10,000/- each) - 65% stake)	1,449,500	42,145,090	-	-	-	-
TOTAL AGGREGATE UNQUOTED INVESTMENTS (A)		6,426,593,401		950,266,927		460,144,969
Less : Aggregate amount of impairment in value of investments in subsidiaries (B)		-		-		-
TOTAL INVESTMENTS CARRYING VALUE (A) - (B)		6,426,593,401		950,266,927		460,144,969

5.2 Break-up of investments in associates

Equivalent ₹

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Qty	Amount	Qty	Amount	Qty	Amount
Unquoted Investments (all fully paid)						
Investments in Equity Instruments						
Elsamex S.A. (76,226 equity shares of Nominal Value Euro 60.10121 each - 22.61% stake)	-	-	76,226	1,256,227,385	76,226	1,185,358,653
TOTAL AGGREGATE UNQUOTED INVESTMENTS (A)		**-**		**1,256,227,385**		**1,185,358,653**
Less : Aggregate amount of impairment in value of investments in associates (B)		-		-		-
TOTAL INVESTMENTS CARRYING VALUE (A) - (B)		-		1,256,227,385		1,185,358,653

5.3. Investments in joint ventures

Equivalent ₹

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Qty	Amount	Qty	Amount	Qty	Amount
Unquoted Investments (all fully paid)						
Investments in Equity Instruments						
Chongqing Yuhe Expressway Co. Ltd.(77,166 equity shares for representing 49% stake)	77,166	10,897,018,001	77,166	11,148,155,657	77,166	10,519,244,313
TOTAL AGGREGATE UNQUOTED INVESTMENTS (A)		10,897,018,001		11,148,155,657		10,519,244,313
Less : Aggregate amount of impairment in value of investments in joint ventures (B)		-		-		-
TOTAL INVESTMENTS CARRYING VALUE (A) - (B)		10,897,018,001		11,148,155,657		10,519,244,313

5.4 Break-up of other investments

Equivalent ₹

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Qty	Amount	Qty	Amount	Qty	Amount
Unquoted Investments (all fully paid)						
Investments in Equity Instruments						
Airport Holding Australasia Pte. Ltd. (100,000 Equity shares of Face Value USD 1/- each)	100,000	4,877,139	100,000	4,989,540	100,000	4,708,060
TOTAL AGGREGATE UNQUOTED INVESTMENTS (A)		4,877,139		4,989,540		4,708,060
Less : Aggregate amount of impairment in value of investments in other investments (B)		4,877,139		4,989,540		4,708,060
TOTAL INVESTMENTS CARRYING VALUE (A) - (B)		-		-		-

(a) The Company made an investment in Dubai, U.A.E in the earlier period and formed a 100% wholly owned subsidiary called ITNL International DMCC. The subsidiary has been formed to look for business opportunities in Surface Transportation Sector in Middle East Asia.

(b) In prior years, the Company made an investment in Nigeria, Africa and formed a 99.42% owned subsidiary called ITNL Africa Projects Limited. The subsidiary has been formed to look for business opportunities in Surface Transportation Sector in Africa.

(c) The Company made an investment in USA and formed a 100% subsidiary called IIPL USA LLC. The subsidiary has been formed to look for business opportunities in Surface Transportation Sector in USA.

(d) In prior years, the Company made an investment in UAE and incorporated an entity with 49% interest called Sharjah General Service Company LLC ("SGSC"). The subsidiary has been formed to look for business opportunities in Surface Transportation Sector in Middle East. As per the shareholders agreement, the Company shares 70% of the losses incurred by SGSC and remaining loss will be borne by other shareholders. The Company also controls the Board of Directors of SGSC and accordingly it is considered as a "Subsidiary".

(e) The Company made an investment in Dubai, U.A.E in the current period and formed a 49% subsidiary called ITNL Infrastructure Developer LLC ("IIDL"). The subsidiary has been formed to look for business opportunities in PPP infrastructure business in the UAE and the Middle-east. The Company also controls the Board of Directors of IIDL and accordingly it is considered as a "Subsidiary".

(f) The Company made an investment in Vietnam and formed a 65% subsidiary called Elsamex Vietnam Joint Stock Company.

SPECIAL PURPOSE FINANCIAL STATEMENTS
ITNL INTERNATIONAL PTE. LTD., SINGAPORE

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2017

Note 6. Trade receivables

Trade receivables- Current

Equivalent ₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivables outstanding for a period exceeding six months from the date they were due for payment (Refer note no 29)			
(a) Secured, considered good	-	-	-
(b) Unsecured, considered good	-	68,211,270	-
(c) Doubtful	-	-	-
Allowance for doubtful debts			
Total (A)	-	68,211,270	-
Trade receivables outstanding for a period less than six months from the date they were due for payment (Refer note no 29)			
(a) Secured, considered good	-	-	-
(b) Unsecured, considered good	-	16,696,057	16,578,237
(c) Doubtful	-	-	-
Allowance for doubtful debts			
Total (B)	-	16,696,057	16,578,237
Total (A+B)	**-**	**84,907,327**	**16,578,237**

Trade receivables are non-interest bearing and are generally on terms of 15 to 30 days

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any directoris a partner, a director or a member.

Age of receivables that are past due but not impaired

Equivalent ₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
More than 30 days	-	68,211,270	-
Less than 30 days	-	16,696,057	16,578,237
Total	**-**	**84,907,327**	**16,578,237**
Average age (days)			

Note 7. Loans

A. Loans - Non Current

Equivalent ₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Loans to related parties (Refer note no 29)			
-Unsecured, considered good			
- Elsamex S.A.	-	-	639,071,331
- ITNL International DMCC	54,495,924	17,149,404	21,734,280
- Sharjah General Services Co. LLC	-	-	30,583,492
- ITNL Infrastructure Developer LLC	18,413,140	-	-
-Doubtful	-	-	-
Less : Allowance for bad and doubtful loans	-	-	-
Total	**72,909,064**	**17,149,404**	**691,389,103**

B. Loans -Current

Equivalent ₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Loans to related parties (Refer note no 29)			
-Unsecured, considered good			
- ITNL International DMCC	382,918,918	88,443,708	-
- ITNL Offshore Three Pte Ltd	32,937,528	23,498,336	-
- Elsamex S.A.	26,816,726	219,794,413	-
- Sharjah General Services Co. LLC	59,093,481	49,725,028	-
- ITNL Infrastructure Developer LLC	99,307,181	-	-
- Elsamex Vietnam Joint Stock Company	38,260,592	-	-
- ITNL offshore Two Pte Ltd	455,639,015	-	-
- Elsamex-ITNL JVCA	13,245,164	-	-
-Doubtful		-	-
Less : Allowance for bad and doubtful loans	-	-	-
Less : Allowance for expected credit loss	(1,556,070)		
Total	**1,106,662,535**	**381,461,485**	**-**

These financials assets are carried at amortised cost.

Note 8. Other financial assets

A. Other financial assets - Non current

Equivalent ₹

Particulars	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
Deposits	3,685,938	4,425,811	1,281,870
Total	**3,685,938**	**4,425,811**	**1,281,870**

B. Other financial assets - Current

Equivalent ₹

Particulars	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
Deposits	1,668,630	1,198,759	-
Advance towards investments	-	2,655,484	-
Advance recoverable- Related party (Refer note no 29)	9,250,075	9,894,153	2,695,362
Advance recoverable - Others	386,452	3,237,237	975,668
Total	**11,305,157**	**16,985,633**	**3,671,030**

Note 9. Cash and cash equivalents

Equivalent ₹

Particulars	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
Balances with Banks	296,459,061	394,790,953	20,145,413
Cash on hand	56,689	100,698	98,063
Cash and cash equivalents	**296,515,750**	**394,891,651**	**20,243,476**
Balances held as security against Bank Guarantees.	-	132,891,950	126,026,576
Balances held as margin money or as security against borrowings	216,556,169	236,439,237	-
Other bank balances	**216,556,169**	**369,331,187**	**126,026,576**

9.1 Non-cash transactions

During the current period, the Company entered into the following non-cash investing and financing activities which are not reflected in the statement of cash flows:

- in respect of the Company’s purchase of interest in Elsamex SA from ITNL of Rs. 4,131,604,537 had been swap against issue of equity share capital at the end of the reporting period.

Note 10. Other assets - Current

Equivalent ₹

Particulars	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
Prepaid expenses	3,381,830	8,652,617	2,699,399
GST Receivable	469,656	876,295	-
Total	**3,851,486**	**9,528,912**	**2,699,399**

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2017

Note 11. Equity

Equity Share Capital

Particulars	**As at March 31, 2017**		**As at March 31, 2016**		**As at April 1, 2015**	
	No. of Shares	**Equivalent ₹**	**No. of Shares**	**Equivalent ₹**	**No. of Shares**	**Equivalent ₹**
Equity share capital (refer foot note no. i)	126,632,481	7,584,886,471	66,398,625	3,569,721,723	60,894,038	3,219,473,660
Total	126,632,481	7,584,886,471	66,398,625	3,569,721,723	60,894,038	3,219,473,660

Particulars	**As at March 31, 2017**		**As at March 31, 2016**		**As at April 1, 2015**	
	No. of Shares	**Equivalent ₹**	**No. of Shares**	**Equivalent ₹**	**No. of Shares**	**Equivalent ₹**
Authorised Share capital :						
Equity Shares of USD 1/- each	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Issued and subscribed capital comprises:						
Equity Shares of USD 1/- each fully paid	126,632,481	7,584,886,471	66,398,625	3,569,721,723	60,894,038	3,219,473,660
	126,632,481	7,584,886,471	66,398,625	3,569,721,723	60,894,038	3,219,473,660

Movement during the year

Particulars	**As at March 31, 2017**		**As at March 31, 2016**		**As at April 1, 2015**	
	No. of Shares	**Equivalent ₹**	**No. of Shares**	**Equivalent ₹**	**No. of Shares**	**Equivalent ₹**
Shares outstanding at the beginning of the year	66,398,625	3,569,721,723	60,894,038	3,219,473,660	48,050,001	2,426,204,375
Shares issued during the Year	60,233,856	4,015,164,748	5,504,587	350,248,063	12,844,037	793,269,285
Shares outstanding at the end of the year	126,632,481	7,584,886,471	66,398,625	3,569,721,723	60,894,038	3,219,473,660

Footnote :
i. Of the above, 126,632,481 shares are held by IL&FS Transportation Networks Ltd, the holding Company (As at March 31, 2016 : 66,398,625 shares, April 1, 2015 : 60,894,038 shares).

ii. Fully paid equity shares which have a par value of USD 1 carry one vote per share and carry a right to dvidends as and when declared by the company.

Other Equity

Equivalent ₹

Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Securities premium reserve		
Balance at beginning of the year	102,916,561	71,394,236
Addition during the year	116,439,789	31,522,325
Balance at end of the year	**219,356,350**	**102,916,561**
Foreign currency translation reserve (Refer footnote)		
Balance at beginning of year	80,462,051	-
Exchange differences arising on translating the foreign operations	(157,154,935)	80,462,051
Balance at end of the year	**(76,692,884)**	**80,462,051**
Retained earnings		
Balance at beginning of year	(2,100,086,143)	(2,249,451,803)
Profit attributable to owners of the Company	211,726,274	149,365,660
Balance at end of the year	**(1,888,359,869)**	**(2,100,086,143)**
Foreign currency monetary translation reserve		
Balance at beginning of the year	110,022,457	(68,610,627)
Movement during the year (net)	(62,436,188)	178,633,084
Balance at end of the year	**47,586,269**	**110,022,457**
Total	**(1,698,110,134)**	**(1,806,685,074)**

-

Footnote :
Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e. Rs.) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2017

Note 12. Non-current Borrowings

Equivalent ₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured – at amortised cost			
Bonds / debentures	-	5,851,363,495	5,791,234,154
Loans from related parties (see note no 29)	-	5,903,628,100	5,570,581,200
Total Non-current borrowings	**-**	**11,754,991,595**	**11,361,815,354**

(a) The Company had obtained a loan of US$ 89 Million from ITNL Offshore Pte Ltd, a Singapore fellow subsidiary (IOPL) in an earlier year, which was used by the Company to purchase an equity investment in Chongqing Yuhe Expressway Co. Ltd. With the issuance of the Bond in earlier year, the Bond holders through the Offering Memorandum have restricted the Company from making any payment to the fellow subsidiary in respect of the aforesaid loan during the existence of the Bond liability. In order to give effect to the aforesaid provision of the Bond Holders, the Company entered into an agreement with ITNL Offshore Pte Limited ("IOPL) dated July 18, 2014 wherein the Interest rate on the aforesaid loan was fixed at 8% p.a. (inclusive of all expenses) w.e.f. July 14, 2014 and the payment of the interest and principal has been now agreed to be made on January 2018. Hence the maturity date of the loan from IOPL is now revised to January 2018 and thereafter payable / renewable on mutually agreeable terms (Agreement between the Company and IOPL dated July 18, 2014)

(b) The Company issued a 3 Year bond amounting to RMB 575 million (approximately US$ 94 million) (2016: RMB 575 million approximately US$94 million) on July 17, 2014 for a period of 3 years. The bond carries an interest rate of 8% (2015: 8% p.a.) payable on a six monthly basis.

<u>(c). Age-wise analysis and Repayment terms of the Company's Long term Borrowings are as below:</u>

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	₹	₹	₹	Frequency of Repayment*	Frequency of Repayment*	Frequency of Repayment*
Upto 1 year	-	-	-	-	-	-
1-3 years	-	11,754,991,595	11,361,815,354	B	B	B
3-5 years	-	-	-	-	-	-
More than 5 years	-	-	-	-	-	-
Total	**-**	**11,754,991,595**	**11,361,815,354**			

* QT = Quarterly, Y = Yearly and B = Bullet repayment

Note 13. Other financial liabilities

Other financial liabilities - Current

Equivalent ₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Current maturities of long-term debt - Unsecured			
Bonds / debentures	5,392,524,613	-	-
Loans from related parties (see note no 29)	5,770,635,400	-	-
(b) Others :-			
Interest accrued			
From Others (Bond)	87,921,531	98,512,949	92,620,802
From related parties (see note no 29)	1,448,115,678	1,002,535,444	513,279,590
Total	**12,699,197,222**	**1,101,048,393**	**605,900,392**

Note 14. Provisions

Provisions - Current

Equivalent ₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for Employee Bonus	2,780,244	4,302,800	2,628,814
Total	**2,780,244**	**4,302,800**	**2,628,814**

Note 15. Other liabilities

Other current liabilities

Equivalent ₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Statutory dues	639,257	50,361	43,519
Total	**639,257**	**50,361**	**43,519**

Note 16. Current Borrowings

Equivalent ₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured - at amortised cost			
Loans from related parties (Refer note no 29)			
- IL&FS Transportation Networks Limited	246,386,680	-	-
- ILFS Maritime Offshore Pte Ltd	190,645,714	-	-
Total	**437,032,394**	**-**	**-**

Amounts repayable to related parties of the Company. Interest of 6.25% to 7% per annum is charged on the outstanding loan balances (as at March 31, 2016: Nil per annum; as at April 1, 2015: Nil per annum).

Note 17. Trade payables

Trade payables - Current

Equivalent ₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade payables			
to related party (Refer note no 29)	6,315,704	12,968,138	69,491,329
to others	12,947,461	10,974,093	14,088,440
Total	**19,263,165**	**23,942,231**	**83,579,769**

The above payable is for services taken/expense incurred on our behalf by group companies and others and the same payable on immediate terms basis.The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Note 18. Current tax assets and liabilities

Equivalent ₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current tax assets			
Benefit of tax losses to be carried back to recover taxes paid in prior periods	-	-	-
Tax refund receivable	-	-	-
	-	-	-
Current tax liabilities			
Income tax payable	-	-	1,026,747
	-	**-**	**1,026,747**
Current Tax Assets (current portion)	-	-	-
Current Tax Assets (non-current portion)	-	-	-

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2017

Note 19. Revenue from operations

Equivalent ₹

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Advisory and project management fees	18,559,926	73,315,339
Total	**18,559,926**	**73,315,339**

Note 20. Other Income

Equivalent ₹

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a) Interest Income		
Interest income earned on financial assets	37,258,983	12,779,841
Bank deposits	351,325	1,998,198
Total (a)	**37,610,308**	**14,778,039**
b) Dividend Income	943,938,078	1,174,206,168
Total (b)	**943,938,078**	**1,174,206,168**
c) Other Non-Operating Income (Net of expenses directly attributable to such income)		
GST refund received	-	468,858
Other non-operating income	168,079	5,625,793
Total (c)	**168,079**	**6,094,651**
d) Other gains and losses		
Exchange rate fluctuation gain (net)	440,609,692	167,073,251
Total (d)	**440,609,692**	**167,073,251**
Total (a+b+c+d)	**1,422,326,157**	**1,362,152,109**

Note 21. Employee benefits expense

Equivalent ₹

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and Wages	54,630,726	78,186,385
Staff Welfare Expenses	5,123,005	13,443,742
Total	**59,753,731**	**91,630,127**

Note 22. Finance costs

Equivalent ₹

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Interest costs :-		
Interest on loans for fixed period	484,952,454	467,412,696
Interest on bonds	468,166,995	486,611,402
Total (a)	953,119,449	954,024,098
(b) Other borrowing costs		
Guarantee commission	-	3,225,075
Finance charges	2,932,658	523,159
Upfront fees on performance guarantee	37,298,077	36,875,662
Total (b)	40,230,735	40,623,896
Total (a+b)	**993,350,184**	**994,647,994**

Note 23. Other expenses

Equivalent ₹

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Rent expense	14,653,995	13,327,316
Travelling and conveyance	24,167,553	50,823,929
Legal and consultation fees	50,016,705	42,489,951
Rates and taxes	8,607,611	4,105,660
Communication expenses	4,113,028	5,624,049
Insurance	3,535,915	2,378,920
Printing and Stationary	336,509	595,795
Electricity Charges	116,116	88,026
Directors Fees	926,826	1,289,520
Bank charges	2,527,337	1,367,165
Office Maintenance	1,648,404	1,433,601
Business promotion expenses	2,237,210	2,151,718
Payment to auditors	1,488,332	2,415,787
Miscellaneous expenses	5,155,416	5,976,400
Total	**119,530,957**	**134,067,837**

Equivalent ₹

Payments to auditors	Year ended March 31, 2017	Year ended March 31, 2016
a) For audit	1,140,228	1,846,211
b) For taxation matters	328,653	569,576
c) For reimbursement of expenses	19,451	-
Total	**1,488,332**	**2,415,787**

Note 24. Impairment losses on financial assets and reversal of impairment on financial assets

Equivalent ₹

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Impairment loss allowance on trade receivables	-	-
Impairment loss allowance on other financial assets	1,609,805	-
Impairment loss allowance on debt instruments at FVTOCI	-	-
Total	**1,609,805**	**-**
Reversal of impairment losses on trade receivables	-	-

Note 25. Income taxes

Income tax recognised in profit or loss

Equivalent ₹

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Current tax		
In respect of the current year	48,246,229	61,494,001
	48,246,229	61,494,001
Deferred tax		
In respect of the current year	-	-
	-	-
MAT credit entitlement	-	-
Total income tax expense recognised in the current year	**48,246,229**	**61,494,001**

The income tax expense for the period can be reconciled to the accounting profit as follows:

Equivalent ₹

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit before tax from continuing operations	259,972,503	210,859,661
Income tax expense calculated at 17% (2015-2016: 17%)	44,195,326	35,846,142
Effect of income that is exempt from taxation	(166,863,226)	(250,912,873)
Effect of expenses that are not deductible in determining taxable profit	171,562,671	173,198,444
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	(48,894,771)	41,968,628
Foreign Withholding tax	48,246,229	61,755,635
Others	-	(361,975)
	48,246,229	61,494,001
Adjustments recognised in the current year in relation to the current tax of prior years	-	-
Income tax expense recognised in profit or loss (relating to continuing operations)	**48,246,229**	**61,494,001**

The tax rate used for the 2016-2017 and 2015-2016 reconciliations above is the corporate tax rate of 17% payable by corporate entities in Singapore on taxable profits under the Singapore tax law.

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2017

Note 26. Earnings per share

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
From Continuing operations	**Rs. per share**	**Rs. per share**
Basic earnings per share	2.27	2.27
Diluted earnings per share	2.27	2.27

26.1 Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit for the period attributable to owners of the Company (A)	211,726,274	149,365,660
Weighted average number of equity shares for the purposes of basic earnings per share (B)	93,132,556	65,887,270
Basic Earnings per share (A/B)	2.27	2.27

26.2 Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are as follows.
The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Earnings used in the calculation of basic earnings per share	211,726,274	149,365,660
Earnings used in the calculation of diluted earnings per share (A)	211,726,274	149,365,660
Weighted average number of equity shares used in the calculation of basic earnings per share	93,132,556	65,887,270
Weighted average number of equity shares used in the calculation of diluted earnings per share (B)	93,132,556	65,887,270
Diluted earnings per share (A/B)	2.27	2.27

SPECIAL PURPOSE FINANCIAL STATEMENTS
ITNL INTERNATIONAL PTE. LTD., SINGAPORE

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2017

27. Operating lease arrangements

1 The Company as lessee

1.1 Leasing arrangements

The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are for a period from 16.05.15 to 15.05.18 for 3 years and may be renewed for a further period of 3 years based on mutual agreement of the parties.

1.2 Payments recognised as an expense

Equivalent ₹

Particulars	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
Minimum lease payments	11,441,695	4,516,132	-
Total	**11,441,695**	**4,516,132**	**-**

1.3 Non-cancellable operating lease commitments

Equivalent ₹

Particulars	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
Not later than 1 year	10,929,505	10,429,431	-
Later than 1 year and not later than 5 years	1,366,188	11,733,109	-
Later than 5 years	-	-	-
Total	**12,295,693**	**22,162,540**	-

28. Contingent liabilities

Equivalent ₹

Particulars	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
Guarantees excluding financial guarantees Guarantee Issued to Vietnam Infrastructure Development and Finance Investment Joint Stock Company in respect of a tender submitted by placing a fixed deposit with the Bank under lien March 31, 2017 Rs Nil, March 31, 2016 Rs. 132,891,950 and March 31, 2015 Rs. 126,026,576	-	132,891,950	126,026,576

SPECIAL PURPOSE FINANCIAL STATEMENTS
ITNL INTERNATIONAL PTE. LTD., SINGAPORE

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2017

Note 29. Related Party Disclosures

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Ultimate Holding Company	Infrastructure Leasing & Financial Services Limited	IL&FS	✔	✔	✔
Immediate Holding Compa	IL&FS Transportation Networks Limited	ITNL	✔	✔	✔
Subsidiaries - Direct	ITNL International DMCC	II DMCC	✔	✔	✔
	Sharjah General Services Co. LLC	SGSC	✔	✔	✔
	ITNL Africa Projects Ltd	IAPL	✔	✔	✔
	IIPL USA LLC	IIPLUS	✔	✔	✔
	Elsamex SA (since October 21, 2016)	ESA	✔	N.A.	N.A.
	Elsamex Vietnam Joint Stock Company	Elsamex Vietnam JSC	✔	N.A.	N.A.
	ITNL Infrastructure Developer LLC	IIDL	✔	✔	N.A.
Fellow Subsidiaries (Only with whom there have been transaction during the period/ there was balance outstanding at the year end)	ITNL Offshore Pte. Ltd.	IOPL	✔	✔	✔
	ITNL Offshore Two Pte. Ltd.	IO2PL	✔	✔	✔
	ITNL Offshore Three Pte. Ltd.	IO3PL	✔	✔	N.A.
	Elsamex Maintenance Services Ltd.	EMSL	✔	✔	N.A.
	ILFS Maritime Offshore Pte Ltd.	IMOPL	✔	N.A.	N.A.
	Global Business Services JLT	GBSJ	N.A.	✔	✔
	ILFS Financial Services Ltd.	IFSL	✔	✔	N.A.
	ILFS Global Financial Services ME Ltd.	IGFSML	✔	✔	N.A.
	IL&FS Global Financial Services (UK) Limited	IGFSL	✔	✔	✔
	IL&FS Global Financial Services (HK) Limited	IGFSL(HK)	✔	✔	✔
Associates - Direct	Elsamex SA (upto October 20, 2016)	ESA	✔	✔	✔
Jointly Controlled Entities - Direct	Chongqing Yuhe Expressway Co. Ltd.	CYE	✔	✔	✔
Jointly Controlled Entities - Indirect	Elsamex ITNL JVCA	Elsamex ITNL JVCA	✔	✔	✔
Key Management Personnel ("KMP")	K Ramchand Director and his relatives		✔	✔	✔
	Mukund Sapre and his relatives		✔	✔	✔

SPECIAL PURPOSE FINANCIAL STATEMENTS
ITNL INTERNATIONAL PTE. LTD., SINGAPORE

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2017

Related Party Disclosures (contd.)

(b) transactions/ balances with above mentioned related parties (mentioned in note 29(a) above)

Equivalent ₹

Particulars	Name of Related Party	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balance				
Long term borrowing	IOPL	-	5,903,628,100	5,570,581,200
Interest payable but not due on borrowings - Non Current	IOPL	-	1,002,535,444	513,279,590
Current Maturities of Long term borrowing	IOPL	5,770,635,400	-	-
Interest payable but not due on borrowings- Current	IOPL	1,441,601,617	-	-
Short term borrowing	ITNL	246,386,680		
Interest payable but not due on borrowings- Current	ITNL	2,757,514	-	-
Short term borrowing	IMOPL	190,645,714		
Interest payable but not due on borrowings- Current	IMOPL	2,891,477	-	-
Interest payable and Interest accrued on borrowings-Current	IIPLUS	864,940	-	-
Loans given - Non Current	SGSC	-	-	29,815,128
Interest accrued on Loans given - Non Current	SGSC	-	-	768,365
Loans given - Current	SGSC	55,039,642	47,475,083	-
Interest accrued on Loans given - Current	SGSC	4,053,839	2,249,946	-
Loans given - Non Current	II DMCC	52,982,332	13,541,862	21,296,520
Interest accrued on Loans given - Non Current	II DMCC	1,513,592	3,607,542	437,760
Loans given - Current	II DMCC	372,393,125	87,789,205	-
Interest accrued on Loans given - Current	II DMCC	10,525,793	654,504	-
Loans given - Non Current	ESA	-	-	624,471,213
Interest accrued on Loans given - Non Current	ESA	-	-	14,600,118
Loans given - Current	ESA	-	198,998,700	-
Interest accrued on Loans given - Current	ESA	26,816,726	20,795,713	-
Loans given - Non Current	IIDL	17,659,975	-	-
Interest accrued on Loans given - Non Current	IIDL	753,165	-	-
Loans given - Current	IIDL	92,878,823	-	-
Interest accrued on Loans given - Current	IIDL	6,428,358	-	-
Loans given - Current	IO3PL	30,765,947	22,475,257	-
Interest accrued on Loans given - Current	IO3PL	2,171,800	1,023,079	-
Loans given - Current	Elsamex Vietnam JSC	37,606,388	-	-
Interest accrued on Loans given - Current	Elsamex Vietnam JSC	654,204	-	-
Loans given - Current	IO2PL	445,586,892	-	-
Interest accrued on Loans given - Current	IO2PL	10,052,123	-	-
Loans given - Current	Elsamex-ITNL JVCA	12,967,720	-	-
Interest accrued on Loans given - Current	Elsamex ITNL JVCA	277,444	-	-
Advances recoverable	IO2PL	30,739	-	1,236,708
Advances recoverable	GBSJ	-	-	1,458,654
Advances recoverable	II DMCC	4,245,672	169,026	-
Advances recoverable	IO3PL	1,874,385	324,533	-
Advances recoverable	EMSL	-	1,516,460	-
Advances recoverable	ESA	1,257,160	7,884,134	-
Advances recoverable	IAPL	536,864	-	-
Advances recoverable	IIPLUS	326,643	-	-
Advances recoverable	IOPL	978,612	-	-
Trade Receivable	CYE	-	84,907,327	16,578,237
Trade Payables	IOPL	-	-	64,351,685
Trade Payables	IGFSML	-	844,882	-
Trade Payables	IGFSL	825,849	7,884,134	-
Trade Payables	IFSL	318,293	325,628	-
Trade Payables	ITNL	5,171,562	1,662,049	5,139,644
Trade Payables	IL&FS	-	2,251,445	-

Equivalent ₹

Transactions	Name of Related Party	Year ended March 31, 2017	Year ended March 31, 2016
Interest Costs	IOPL	477,552,867	467,412,696
Interest Costs	ITNL	3,355,882	-
Interest Costs	IIPLUS	1,052,628	-
Interest Costs	IMOPL	2,991,077	-
Advisory and project management fees	CYE	18,559,926	73,315,339
Dividend income	CYE	943,938,078	1,174,206,168
Guarantee Commission	ITNL	1,392,601	1,873,478
Interest income on Loans (Other income)	ESA	7,066,374	6,628,526
Interest income on Loans (Other income)	II DMCC	8,144,557	3,748,619
Interest income on Loans (Other income)	SGSC	1,918,461	1,416,935
Interest income on Loans (Other income)	IO3PL	1,297,710	985,760
Interest income on Loans (Other income)	IIDL	7,428,898	-
Interest income on Loans (Other income)	Elsamex Vietnam	717,671	-
Interest income on Loans (Other income)	IO2PL	10,398,378	-
Interest income on Loans (Other income)	Elsamex ITNL JVCA	287,001	-
Travelling costs	IGFSML	-	834,364
Travelling costs	ITNL	-	1,213,651
Travelling costs	IFSL	-	321,385
Sitting fees	K Ramchand	195,247	188,785
Sitting fees	Mukund Sapre	195,247	94,392

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2017

Note 30. Ind AS 101 reconciliations

Effect of Ind AS adoption on the balance sheet as at

		As at March 31, 2016 (End of comparable interim period presented under previous GAAP (SCA))			As at April 1, 2015 (Date of transition)		
	Foot notes	Previous GAAP (SCA)	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP (SCA)	Effect of transition to Ind AS	As per Ind AS balance sheet
Non-current assets							
(a) Property, plant and equipment		13,087,497	(0)	13,087,497	1,162,435	(0)	1,162,435
(b) Intangible assets							
(i) others		953,153	(0)	953,153	-	-	-
(c) Financial assets							
(i) Investments							
a) Investments in subsidiaries	8	949,894,100	372,827	950,266,927	460,144,969	-	460,144,969
b) Investments in associates		1,256,227,385	-	1,256,227,385	1,185,358,653	-	1,185,358,653
c) Investments in joint ventures		11,148,155,657	-	11,148,155,657	10,519,244,313	-	10,519,244,313
d) Other investments	5	4,989,540	(4,989,540)	-	4,708,060	(4,708,060)	-
(ii) Loans	6,7	13,541,862	3,607,542	17,149,404	675,582,861	15,806,242	691,389,103
(iii) Other financial assets		4,425,811	-	4,425,811	1,281,870	-	1,281,870
(d) Other non-current assets	1	14,098,395	(14,098,395)	-	57,791,234	(57,791,234)	-
Total non-current assets		**13,405,373,400**	**(15,107,566)**	**13,390,265,834**	**12,905,274,395**	**(46,693,053)**	**12,858,581,343**
Current assets							
(a) Financial assets							
(i) Trade receivables		84,907,327	-	84,907,327	16,578,237	-	16,578,237
(ii) Cash and cash equivalents	2	764,222,838	(369,331,187)	394,891,651	20,243,476	-	20,243,476
(iii) Bank balances other than (ii) above	2	-	369,331,187	369,331,187	126,026,576	-	126,026,576
(iv) Loans	6,7,8	357,111,073	24,350,412	381,461,485	-	-	-
(v) Other financial assets		16,985,633	-	16,985,633	3,671,030	-	3,671,030
(b) Other current assets	1,7	85,507,013	(75,978,101)	9,528,912	63,007,341	(60,307,942)	2,699,399
Total current assets		**1,308,733,884**	**(51,627,689)**	**1,257,106,195**	**229,526,660**	**(60,307,942)**	**169,218,718**
Total Assets		**14,714,107,284**	**(66,735,256)**	**14,647,372,029**	**13,134,801,056**	**(107,000,995)**	**13,027,800,061**
Equity							
(a) Equity share capital		3,569,721,723	-	3,569,721,723	3,219,473,660	-	3,219,473,660
(b) Other Equity	9	(1,802,603,862)	(4,081,212)	(1,806,685,074)	(2,217,634,952)	(29,033,242)	(2,246,668,194)
Equity attributable to owners of the Company		**1,767,117,861**	**(4,081,212)**	**1,763,036,649**	**1,001,838,708**	**(29,033,242)**	**972,805,466**
Non-controlling interests							
Total equity		**1,767,117,861**	**(4,081,212)**	**1,763,036,649**	**1,001,838,708**	**(29,033,242)**	**972,805,466**
Non-current liabilities							
Financial liabilities							
(i) Borrowings	1, 4	11,817,645,638	(62,654,043)	11,754,991,595	11,439,783,107	(77,967,753)	11,361,815,354
Total non-current liabilities		**11,817,645,638**	**(62,654,043)**	**11,754,991,595**	**11,439,783,107**	**(77,967,753)**	**11,361,815,354**
Current liabilities							
Financial liabilities							
(i) Trade and other payables		23,942,231	-	23,942,231	83,579,769		83,579,769
(ii) Other financial liabilities		1,101,048,393	-	1,101,048,393	605,900,392	-	605,900,392
Provisions	3	4,302,800	-	4,302,800	3,655,561	(1,026,747)	2,628,814
Current tax liabilities (Net)	3	-	-	-	-	1,026,747	1,026,747
Other current liabilities		50,361	(0)	50,361	43,519	0	43,519
Total current liabilities		**1,129,343,785**	**(0)**	**1,129,343,785**	**693,179,241**	**0**	**693,179,241**
Total liabilities		**12,946,989,423**	**(62,654,043)**	**12,884,335,380**	**12,132,962,348**	**(77,967,753)**	**12,054,994,595**
Total equity and liabilities		**14,714,107,284**	**(66,735,255)**	**14,647,372,029**	**13,134,801,056**	**(107,000,995)**	**13,027,800,061**

1 Under the previous GAAP, unamortised borrowing costs were disclosed as other current and non current assets. The same has been calculated on straight line basis. Under the Ind AS, the same has been disclosed net of borrowing after calculating based on effective interest rate.

2 Under the previous GAAP, no separate line item of disclosure was required for other restricted bank balances and were disclosed as a part cash and cash equivalent. Under Ind AS, the same is required to be disclosed as separate line on the face of balance sheet.

3 Under the pervious GAAP, there was no requirement to present provision for tax separately and the same was included under provisions. Under Ind AS, provision for tax is required to be presented separately in balance sheet. Accordingly, the same has been reclassified to separate line item on the face of balance sheet.

4 Under the previous GAAP, interest accrued on borrowing was disclosed as other current and non current liabilities. Under the Ind AS, the same has been disclosed as current and non current financial liabilities after calculating based on effective interest rate .

5 Under the previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS, investment in some of the entities have been classified as FVTPL. On the date of transition to Ind AS, these financial assets have been measured at their fair value which is lower than the cost resulting in decrease in carrying amount.

6 Under the previous GAAP, loans granted are disclosed at contractual value after considering impairment loss, if any. As per Ind AS 109, impairment loss has been considered based on expected realisability of loans as against schedule of payment as per agreement.

7 Under the previous GAAP, interest accrued on loan granted was disclosed as other current and non current assets. Under the Ind AS, the same has been included under current and non current financial assets - loans.

8 Under Ind AS, Interest rate on Loans granted to some of the entities have been measured at their fair value which is lower than the market rate resulting in deemed equity contribution.

9 **Reconciliation of total equity as at**

	Notes	As at March 31, 2016 (End of comparable period presented under previous GAAP (SCA))	As at April 1, 2015 (Date of transition)
Total equity / shareholders' funds under previous GAAP (SCA)		**1,767,117,861**	**1,001,838,708**
Adjustments			
Impact of interest on borrowing after calculating based on effective interest rate at amortised cost		908,328	(24,325,182)
Fair value of investment in Airport Holding Australasia Pte Ltd		(4,989,540)	(4,708,060)
Total adjustment to equity		**(4,081,212)**	**(29,033,242)**
Total equity under Ind AS		**1,763,036,649**	**972,805,466**

Effect of Ind AS adoption on the statement of profit and loss for the year

	Notes	Year ended March 31, 2016 (End of comparable interim period presented under previous GAAP (SCA))		
		Previous GAAP (SCA)	Effect of transition to Ind AS	Ind AS
Revenue from Operations		73,315,339	-	73,315,339
Other income	2	1,195,078,858	167,073,251	1,362,152,109
Total Income		**1,268,394,197**	**167,073,251**	**1,435,467,448**
Expenses				
Employee benefits expense		91,630,127	-	91,630,127
Finance costs	1	995,487,764	(839,770)	994,647,994
Depreciation and amortisation expense		4,261,829	-	4,261,829
Other expenses	2	167,657,203	(33,589,366)	134,067,837
Total expenses		**1,259,036,923**	**(34,429,136)**	**1,224,607,787**
Profit before exceptional items and tax		**9,357,274**	**201,502,387**	**210,859,661**
Add: Exceptional items		-	-	-
Profit before tax		**9,357,274**	**201,502,387**	**210,859,661**
Less: Tax expense				
(1) Current tax		61,494,001	-	61,494,001
(2) Deferred tax		-	-	-
		61,494,001	**-**	**61,494,001**
Profit for the year from continuing operations (I)		**(52,136,727)**	**201,502,387**	**149,365,660**
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss		-	-	-
A (ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-
B (i) Items that may be reclassified to profit or loss				
a) Exchange differences in translating the financial statements of foreign operations including the gain / loss on related hedging instrument		-	80,462,051	80,462,051
Total B (i)		**-**	**80,462,051**	**80,462,051**
B (ii) Income tax relating to items that may be reclassified to profit or loss		**-**	**-**	-
Total other comprehensive income [V=A (i-ii)+ B (i-ii)]		**-**	**80,462,051**	**80,462,051**
Total comprehensive income for the period (IV+V)		**(52,136,727)**	**281,964,438**	**229,827,711**

1. Impact of interest on borrowing after calculating based on effective interest rate at amortised cost.

2.In IndAS cumulative balance of Foreign Currency Translation reserve on the date of transaction taken in retained earning. Impact of same in FY16 as per IGAAP reversed.

Reconciliation of total comprehensive income for the year ended March 31, 2016

Particulars		**Year ended March 31, 2016 (Latest period presented under previous GAAP (SCA))**
Profit as per previous GAAP (SCA)		**(52,136,727)**
Adjustments (Pls specify the nature):		
Impact of interest on borrowing after calculating based on effective interest rate at amortised cost	1	839,770
In IndAS cumulative balance of Foreign Currency Translation reserve on the date of transaction taken in retained earning. Impact of same in FY16 as per IGAAP reversed.	2	200,662,617
Impact of translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e. Rs.) are recognised directly in other comprehensive income		80,462,051
Total adjustments		**281,964,438**
Total comprehensive income under Ind AS		**229,827,711**

Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2016

	Notes	Year ended March 31, 2016 (Latest period presented under previous GAAP (SCA))		
		Previous GAAP (SCA)	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities		482,245,443	-	482,245,443
Net cash flows from investing activities		(7,224,731)	-	(7,224,731)
Net cash flows from financing activities		(125,024,865)	-	(125,024,865)
Net increase (decrease) in cash and cash equivalents		**349,995,847**	**-**	**349,995,847**
Cash and cash equivalents at the beginning of the year		20,243,476	-	**20,243,476**
Effects of exchange rate changes on the balance of cash held in foreign currencies		24,652,328	-	**24,652,328**
Cash and cash equivalents at the end of the year		**394,891,651**	**-**	**394,891,651**

Analysis of cash and cash equivalents as at March 31, 2016 and opening as at April 1, 2015 for the purpose of statement of cash flows under Ind AS

	Notes	Year ended March 31, 2016 (End of last period presented under previous GAAP (SCA))	As at April 1, 2015 (Date of transition)
Cash and cash equivalents for the purpose of statement of cash flows as per previous GAAP (SCA)		**394,891,651**	**20,243,476**
Bank overdrafts which form an integral part of cash management system		-	-
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS		**394,891,651**	**20,243,476**

SPECIAL PURPOSE FINANCIAL STATEMENTS
ITNL INTERNATIONAL PTE. LTD., SINGAPORE

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2017

31. Financial instruments

1 Capital management

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of borrowings as detailed in notes 12, 13 & 16 and equity of the Company (comprising issued capital, reserves, retained earnings as detailed in note 11).

The company is not subject to any externally imposed capital requirements.

1.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Debt (i)	13,136,229,616	12,856,039,988	11,967,715,746
Cash and bank balances	513,071,919	631,330,888	20,243,476
Net debt	12,623,157,697	12,224,709,100	11,947,472,270
Equity (ii)	5,886,776,337	1,763,036,649	972,805,466
Net debt to equity ratio	2.14	6.93	12.28

Debt is defined as long- and short-term borrowings, as described in notes 12, 13 and 16.

Equity includes all capital and reserves of the Company that are managed as capital.

2 Categories of financial instruments

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial assets			
Financial Assets measured at amortised cost			
Cash and bank balances	296,515,750	394,891,651	20,243,476
Bank balances other than above	216,556,169	369,331,187	126,026,576
Loans	1,179,571,599	398,610,889	691,389,103
Trade receivable	-	84,907,327	16,578,237
Other assets	14,991,095	21,411,444	4,952,900
Financial liabilities			
Borrowings	11,600,192,407	11,754,991,595	11,361,815,354
Interest accrued	1,536,037,209	1,101,048,393	605,900,392
Trade payable	19,263,165	23,942,231	83,579,769

Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements
The Company does not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar netting arrangements.

3 Financial risk management objectives

The Company has documented financial risk management policies. These policies set out the Company's overall business strategies and its risk management philosophy. The Company's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Company. The management provides written principles for overall financial risk management and written policies covering specific areas, such as market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk and investing excess cash.

The Company does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

4. Credit risk management

Credit risk refers to the risk that a counterparty default on its contractual obligations resulting in a financial loss to the Company.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit rating assigned by international credit-rating agencies

The credit risk associated with other financial assets is also limited and management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Concentration risk
The carrying amount of financial assets recorded in the statement of financial position represents the Company's maximum exposure to credit risk.

5 Market risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see note 6 below) and interest rates (see note 7 below). The company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including:

- forward foreign exchange contracts to hedge the exchange rate risk arising on borrowings in currency CNY
- interest rate swaps to mitigate the risk of rising 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.

6 Foreign currency risk management

Foreign currency risk refers to the risk that changes in foreign exchange rates would have an adverse impact on the fair value or future cash flows of the Company's financial instruments. The Company has underlying investment denominated in Chinese Yuan, Singapore Dollars and United Arab Emirates Dirhams, and expenses denominated in Singapore Dollars, Chinese Yuan, and Indian Rupees, and therefore is exposed to foreign currency risks.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Equivalent ₹

Particulars	Liabilities as at			Assets as at		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Sigapore Dollar	6,402,088	6,173,404	1,596,816	2,659,870	15,968,319	3,590,959
Chinese Yuan	5,480,446,114	5,949,564,098	5,962,618,676	216,675,616	323,032,467	16,190,425
Euro				61,011,632	36,604,219	624,471,228
INR	7,181,161	12,968,148	5,139,644	-	1,516,436	
AED				614,228,645	156,003,837	52,305,066
VND	269,080			123,944		

6.1 Foreign currency sensitivity analysis

The company is mainly exposed to the currency of Country China and the currency of Country Singapore.

The following table details the company's sensitivity to a 10% increase and decrease in the USD against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the USD strengthens 10% against the relevant currency. For a 10% weakening of the USD against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Equivalent ₹

Particulars	Currency Sigapore Dollar Impact			Currency Chinese Yuan Impact		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Profit or (loss) (i) and (iii)	374,222	(979,492)	(199,414)	526,377,050	562,653,163	594,642,825
Equity (ii) and (iv)	310,604	(812,978)	(165,514)	436,892,951	467,002,125	493,553,545

(i) This is mainly attributable to the exposure outstanding on Currency Singapore Dollar receivables and payables at the end of the reporting period
(ii) This is mainly as a result of (i) net of income tax.
(iii) This is mainly attributable to the exposure to outstanding Currency Chinese Yuan receivables and payables at the end of the reporting period
(iv) This is mainly as a result of (ii) net of income tax.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

7 Interest rate risk management

Interest rate risk refers to the risk that changes in market interest rates would have an adverse impact on the fair value or future cash flows of the Company's financial instruments. The Company does not have significant exposure to interest rate risk at the end of the reporting period as its interest-bearing instruments carry a fixed rate instead of the market interest rate.

The company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

8 Liquidity risk management

Liquidity risk refers to the risk that the Company has difficulties in meeting its short-term obligations. The Company maintains sufficient cash and bank balances to finance its activities

The Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short, medium, and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 7.1 below sets out details of additional undrawn facilities that the company has at its disposal to further reduce liquidity risk.

8.1 Liquidity and interest risk tables

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

Equivalent ₹

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Non-interest bearing	Fixed interest rate instruments	Non-interest bearing	Fixed interest rate instruments	Non-interest bearing	Fixed interest rate instruments
Weighted average effective interest rate (%)		8%		8%		8%
Upto 1 year	19,263,165	13,636,832,536	23,942,231		83,579,769	
1-3 years				14,303,478,220		14,244,367,063
3-5 years						
More than 5 years						
Total	**19,263,165**	**13,636,832,536**	**23,942,231**	**14,303,478,220**	**83,579,769**	**14,244,367,063**
Carrying amount	**19,263,165**	**13,136,229,616**	**23,942,231**	**12,856,039,988**	**83,579,769**	**11,967,715,746**

The following table details the company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Equivalent ₹

Particulars	March 31, 2017		March 31, 2016		April 1. 2015	
	Non-interest bearing	Fixed interest rate instruments	Non-interest bearing	Fixed interest rate instruments	Non-interest bearing	Fixed interest rate instruments
Weighted average effective interest rate (%)		5% - 8%		5%		3.5%
Upto 1 year	528,063,014		634,102,372		167,801,189	
1-3 years		1,179,571,599	236,439,237	398,610,889		691,389,103
3-5 years						
More than 5 years						
Total	**528,063,014**	**1,179,571,599**	**870,541,609**	**398,610,889**	**167,801,189**	**691,389,103**
Carrying amount	**528,063,014**	**1,179,571,599**	**870,541,609**	**398,610,889**	**167,801,189**	**691,389,103**

9 Fair value measurements

This note provides information about how the company determines fair values of various financial assets and financial liabilities.

9.1 Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ financial liabilities	Fair value			Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015				
Equity investments (see note 5.4)	-	-	-	Level 3	Cost less allowance for impairment loss	N.A	N.A

There were no transfers between Level 1 and 2 in the period.

9.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Financial assets at amortised cost:	**1,181,709,693**	**1,179,571,599**	**398,983,716**	**398,610,889**	**691,389,103**	**691,389,103**
- loans to related parties	1,181,709,693	1,179,571,599	398,983,716	398,610,889	691,389,103	691,389,103
Financial liabilities	-	-	-	-	-	-

Fair value hierarchy as at March 31, 2017

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at amortised cost:				
- loans to related parties	-	1,179,571,599	-	1,179,571,599
Total	-	1,179,571,599	-	1,179,571,599
Financial liabilities	-	-	-	-
Total	-	-	-	-

Fair value hierarchy as at March 31, 2016

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at amortised cost:				
- loans to related parties	-	398,610,889	-	398,610,889
Total	-	398,610,889	-	398,610,889
Financial liabilities	-	-	-	-
Total	-	-	-	-

Fair value hierarchy as at April 1, 2015

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at amortised cost:				
- loans to related parties	-	691,389,103	-	691,389,103
Total	-	691,389,103	-	691,389,103
Financial liabilities	-	-	-	-
Total	-	-	-	-

SPECIAL PURPOSE FINANCIAL STATEMENTS
ITNL INTERNATIONAL PTE. LTD., SINGAPORE

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2017

Note 32: Segment Information

As per Ind AS 108, Segment reporting is applicable to the General Purpose financial statements. These Special Purpose Financial Statements have been prepared for limited and specific purpose to be included into the Consolidated Financial Statements of IL&FS Transportation Networks Limited and hence disclosure requirements as per Ind AS 108 under Segment Reporting is not applicable.

For and on behalf of the Board

Sd/- Sd/-