ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

FINANCIAL STATEMENTS

2016-2017

INDEPENDENT AUDITOR'S REPORT

To The Members of ITNL Road Infrastructure Development Company Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of ITNL Road Infrastructure Development Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements

D. R. Mohnot & Co. JAIPUR Chartered Accountants

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

Opinion

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

Emphasis of Matter

We draw attention to the fact that the financial statements have been prepared on the basis that the Company is a going concern although the Company has incurred net loss of Rs.65,65,24,805 during the year ended March 31, 2017 and has a negative net working capital as on March 31, 2017. The management's reason for preparing the financial statements on a going concern basis has been stated in Note No.36 of the financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account

d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

f) Without modifying our opinion, the going concern matter described under the Emphasis of Matter above, in our opinion, may have an adverse effect on the functioning of the Company.

D. R. Mohnot & Co. JAIPUR Chartered Accountants

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No.31 to the Ind AS financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016; and such disclosures are in accordance with the books of accounts maintained by the Company.

For D.R.Mohnot & Co.
Chartered Accountants
Firm's registration number: 001388C

D.R. Mohnot & Co. JAIPUR Chartered Accountants

D.R.Mohnot
Partner
Membership number: 070579

Place- Jaipur
Date- May 10, 2017

Annexure A to the Auditors' Report

The Annexure referred to in our report to the members of ITNL Road Infrastructure Development Company Limited ('the Company') for the year Ended on March 31st 2017. We report that:

(i) (a) the company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) the fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification.

(c) there are no immovable properties in the name of the company and therefore sub clause 3 (i)(c) does not apply.

(ii) The Company does not have any inventory. Accordingly clause 3(ii) of the Order is not applicable.

(iii) The company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly sub clauses (a) (b) and (c) of clause 3(iii) of the order are not applicable.

(iv) The company has not given any loans, investments, guarantees, and security as described in section 185 and 186 of the Companies Act, 2013

(v) The company has not accepted any deposits as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Accordingly, clause 3 (v) of the order is not applicable.

(vi) According to information and explanations given to us, the Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act.

(vii) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.

(b) According to the information and explanations given to us there are no dues in respect of service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute. However according to information and explanations given to us, the following dues of income tax and sales tax have not been deposited by the company on account of disputes.

JAIPUR

Name of the Statute	Nature of Dues	Amount (In Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	Nil*	Assessment Year 2011-12	CIT (A)
Income Tax Act, 1961	Income Tax	29,06,780	Assessment Year 2013-14	CIT (A)
Income Tax Act, 1961	Income Tax	67,63,230	Assessment Year 2014-15	CIT (A)
Rajasthan VAT, 2003	Tax, Interest & Penalty	4,69,576*	2010-11	RVAT Appellate Authority
Rajasthan VAT, 2003	Tax, Interest & Penalty	Nil*	2011-12	RVAT Appellate Authority

*Net of amount paid under protest

(viii) According to the information and explanation given to us and as per our examination of books of account the company has not defaulted in repayment of dues to any financial institution or banks in the current year.

(ix) According to the information and explanation provided to us the term loans have been applied for the purpose for which they were raised. The company has not raised any moneys by way of initial public offer or further public offer.

(x) According to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have been informed of such case by management.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided any managerial remuneration during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For D.R.Mohnot & Co.
Chartered Accountants
Firm registration number: 001388C

D.R.Mohnot
Partner
Membership number: 070579

Place- Jaipur
Date- May 10, 2017

Annexure B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of ITNL Road Infrastructure Development Company Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For D.R.Mohnot & Co.
Chartered Accountants
Firm registration number: 001388C

JAIPUR

Place- Jaipur
Date- May 10, 2017

D.R.Mohnot
Partner
Membership number: 070579

ITNL Road Infrastructure Development Company Limited
CIN : U45400MH2007PLC175415

Balance Sheet as at March 31, 2017

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Particulars	Notes	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
ASSETS							
Non-current Assets							
(a) Property, plant and equipment	5		1,74,450		3,34,372		3,98,802
(b) Intangible assets							
(i) under SCA	6	2,90,08,90,279		2,91,18,91,232		2,92,14,48,602	
(ii) others	6	1		1		1	
(iii) Intangible assets under development	6	4,44,53,67,740	7,34,62,58,020	4,43,50,59,595	7,34,69,50,828	4,23,00,44,147	7,15,14,92,750
(c) Financial assets							
Other financial assets	8A		3,06,150		2,86,150		2,86,150
(d) Tax assets							
Current Tax Asset (Net)	19		2,22,82,905		2,12,51,420		2,06,85,228
(e) Other non-current assets	10A		58,46,27,720		58,77,82,605		60,15,03,241
Total Non-current Assets			**7,95,36,49,245**		**7,95,66,05,375**		**7,77,43,66,171**
Current Assets							
(a) Financial assets							
(i) Trade receivables	7	8,216		-		-	
(ii) Cash and cash equivalents	9	1,40,85,495		96,87,856		1,42,40,808	
(iii) Bank balances other than (ii) above	9	19,99,32,086		18,76,78,712		18,83,89,763	
(iv) Other financial assets	8B	1,42,02,501	22,82,28,298	29,812	19,73,96,380	1,30,27,562	21,56,58,133
(b) Other current assets	10B		7,96,623		6,10,146		16,21,149
			22,90,24,921		**19,80,06,526**		**21,72,79,282**
Total Current Assets			**22,90,24,921**		**19,80,06,526**		**21,72,79,282**
Total Assets			**8,18,26,74,166**		**8,15,46,11,901**		**7,99,16,45,453**
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital	12	1,40,00,00,000		1,40,00,00,000		1,40,00,00,000	
(b) Other Equity	13	(2,29,08,26,553)		(1,63,43,01,748)		(1,24,35,56,832)	
Equity attributable to owners of the Company			**(89,08,26,553)**		**(23,43,01,748)**		**15,64,43,168**
Total Equity			**(89,08,26,553)**		**(23,43,01,748)**		**15,64,43,168**
LIABILITIES							
Non-current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	14	1,63,20,19,052		2,27,06,94,448		2,81,32,55,261	
(ii) Other financial liabilities	15A	4,71,98,957	1,67,92,18,009	4,19,81,103	2,31,26,75,551	6,29,60,568	2,87,62,15,829
Total Non-current Liabilities			**1,67,92,18,009**		**2,31,26,75,551**		**2,87,62,15,829**
Current liabilities							
~~(a) Financial liabilities~~							
(i) Borrowings	17	4,93,70,10,098		2,17,75,00,000		1,20,25,00,000	
(ii) Trade payables	18	1,45,53,42,333		3,07,19,62,451		3,02,84,71,575	
(iii) Other financial liabilities	15B	99,64,51,396	7,38,88,03,827	82,36,90,901	6,07,31,53,352	72,74,71,429	4,95,84,43,004
(b) Other current liabilities	16		54,78,883		30,84,746		5,43,452
			7,39,42,82,710		6,07,62,38,098		4,95,89,86,456
Total Current Liabilities			**7,39,42,82,710**		**6,07,62,38,098**		**4,95,89,86,456**
Total Liabilities			**9,07,35,00,719**		**8,38,89,13,649**		**7,83,52,02,285**
Total Equity and Liabilities			**8,18,26,74,166**		**8,15,46,11,901**		**7,99,16,45,453**

Notes 1 to 39 forms part of the financial statements

In terms of our report attached.
For D R Mohnot & Co
Chartered Accountants
Firm Registration No.001388C

D. R. Mohnot
Partner
Membership Number : 070579

Place : JAIPUR
Date: MAY 10, 2017

For and on behalf of the Board

Mr. Rajnish Saxena
Director
Din No.05188337

Ms. Varsha Sawant
Director
Din No. 07018824

Ms. Preeti Jain
Chief Financial Officer

Ms. Anita Renuse
Company Secretary

Place :
Date:

ITNL Road Infrastructure Development Company Limited
CIN : U45400MH2007PLC175415

Statement of Profit and Loss for the year ended March 31, 2017

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Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from Operations	20	28,84,02,134	44,78,05,274
Other income	21	1,21,82,421	1,12,67,402
Total Income		**30,05,84,555**	**45,90,72,676**
Expenses			
Construction Costs	22	47,02,345	15,33,79,054
Operating expenses	23	7,67,13,490	7,80,35,496
Employee benefits expense	24	1,80,000	2,35,184
Finance costs	25	85,28,05,484	59,94,40,798
Depreciation and amortisation expense	26	1,11,60,875	97,14,710
Other expenses	27	1,15,47,166	90,12,350
Total expenses		**95,71,09,360**	**84,98,17,592**
Loss before exceptional items and tax		**(65,65,24,805)**	**(39,07,44,916)**
Add: Exceptional items			
Loss before tax		**(65,65,24,805)**	**(39,07,44,916)**
Less: Tax expense			
(1) Current tax		-	-
(2) Deferred tax		-	-
		-	-
Loss for the year		**(65,65,24,805)**	**(39,07,44,916)**
Other Comprehensive Income		-	-
Earning per share	28		
(1) Basic (in Rs.)		(4.69)	(2.79)
(2) Diluted (in Rs.)		(4.69)	(2.79)

Notes 1 to 39 forms part of the financial statements

In terms of our report attached,
For D R Mohnot & Co
Chartered Accountants
Firm Registration No.001388C

D. R. Mohnot
Partner
Membership Number : 070579

Place : JAIPUR
Date: MAY 10, 2017

For and on behalf of the Board

Mr. Rajnish Saxena
Director
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Ms. Anita Renuse
Company Secretary

Place :
Date:

ITNL Road Infrastructure Development Company Limited
CIN : U45400MH2007PLC175415

Statement of Cash Flows for the year ended March 31, 2017

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Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Cash flows from operating activities		
Loss for the year	(65,65,24,805)	(39,07,44,916)
Adjustments for:		
Finance costs recognised in profit or loss	85,28,05,484	59,94,40,798
Interest income recognised in profit or loss	(1,21,18,259)	(1,12,57,182)
Construction Income	(52,19,603)	(17,61,33,486)
Construction Cost	47,02,345	15,33,79,054
Depreciation and amortisation of non-current assets	1,11,60,875	97,14,710
	19,48,06,037	**18,43,98,978**
Movements in working capital:		
Increase / (Decrease) in liabilities (current and non current)	23,94,137	25,41,294
(Increase)/decrease in other assets	(60,91,350)	2,59,19,368
Increase/ (Decrease) in trade and other payables	(1,61,66,20,118)	4,34,90,876
	(1,62,03,17,331)	**7,19,51,538**
Cash generated from operations	**(1,42,55,11,294)**	**25,63,50,516**
Income taxes (paid)/ Refund received	(10,31,485)	(5,66,192)
Net cash generated by operating activities	**(1,42,65,42,779)**	**25,57,84,324**
Cash flows from investing activities		
Payments to acquire intangible assets	36,70,394	(16,07,30,822)
Proceeds on sale of assets	(50,88,542)	2,45,97,484
Interest received	1,11,68,324	1,10,06,885
Movement in other bank balances	(1,13,03,439)	9,61,348
Net cash (used in)/generated by investing activities	**(15,53,263)**	**(12,41,65,105)**
Cash flows from financing activities		
Repayment of Unsecured long term borrowings	(28,85,71,428)	(10,60,71,428)
Repayment of Secured long term borrowings	(44,84,00,000)	(41,89,00,000)
Proceeds from short term borrowings	2,75,95,10,098	97,50,00,000
Interest paid (Finance cost paid)	(59,00,44,989)	(58,62,00,744)
Net (used in)/ generated in financing activities	**1,43,24,93,681**	**(13,61,72,172)**
Net increase/ (decrease) in cash and cash equivalents	43,97,639	(45,52,952)
Cash and cash equivalents at the beginning of the year	96,87,856	1,42,40,808
Cash and cash equivalents at the end of the year	**1,40,85,495**	**96,87,856**

Notes 1 to 39 forms part of the financial statements

In terms of our report attached.
For D R Mohnot & Co
Chartered Accountants
Firm Registration No.001388C

D. R. Mohnot
Partner
Membership Number : 070579

Place : JAIPUR
Date: MAY 10, 2017

For and on behalf of the Board

Mr. Rajnish Saxena
Director
Din No.05188337

Ms. Varsha Sawant
Director
Din No. 07018824

Ms. Preeti Jain
Chief Financial Officer

Ms. Anita Renuse
Company Secretary

Place :
Date:

ITNL Road Infrastructure Development Company Limited
General Information & Significant Accounting Policies

1. General information

The Company was incorporated under the Companies Act 1956 on October 26, 2007 vide Registration No U45400MH2007PLC175415.
Department of Road Transport & Highway (DORTH) has awarded the project for development of Beawar-Gomti section of NH-8 (the Project) in the State of Rajasthan through private participation on Design, Build, Finance, Operate and Transfer (DBFOT) basis to "IL&FS Transportation Networks Limited" (ITNL). ITNL has formed a company named ÏTNL Road Infrastructure Development Company Limited"(IRIDCL) to Construct, Operate and Maintain the Project for a period of 30 years commencing from the Appointed date, provided that in the event of four-laning not undertaken for any reason in accordance with the provisions of CA, the Concession period shall be deemed to be 11 years including construction period of 455 days required for 2-laning of the Project.

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, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).These are Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 4 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 for the following asset and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

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.

Fair value measurement

The Company measures financial instruments, such as, derivatives 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 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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 period.

External valuers are involved for valuation of significant assets, such as properties and significant liabilities, such as contingent consideration.

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.

- Disclosures for valuation methods, significant estimates and assumptions
  Contingent consideration
  Quantitative disclosures of fair value measurement hierarchy
  Investment in unquoted equity shares (discontinued operations)
  Property, plant and equipment under revaluation model

- Investment properties
- Financial instruments (including those carried at amortised cost)
- Non-cash distribution

3 Accounting for rights under service concession arrangements (SCA) and revenue recognition

3.1 Recognition and measurement

The Company builds, operates and maintains infrastructure assets under public-to-private Service Concession Arrangements (SCAs), which is an arrangement between the "grantor" (a public sector entity/authority) and the "operator" (a private sector entity) to provide services that give the public access to major economic and social facilities utilizing private-sector funds and expertise. The infrastructures accounted for by the Company as concessions are mainly related to the activities concerning roads, tunnels, check posts, railways and other infrastructure facilities.

Concession contracts are public-private agreements for periods specified in the SCAs including the construction, upgradation, restoration of infrastructure and future services associated with the operation and maintenance of assets in the concession period. Revenue recognition, as well as, the main characteristics of these contracts are detailed in Note 3.1.ii.

With respect to service concession arrangements, revenue and costs are allocated between those relating to construction services and those relating to operation & maintenance services, and are accounted for separately. Consideration received or receivable is allocated by reference to the relative fair value of services delivered when the amounts are separately identifiable. The infrastructure used in a concession are classified as an intangible asset or a financial asset, depending on the nature of the payment entitlements established in the concession agreement.

When the demand risk to the extent that the Company has a right to charge the user of infrastructure facility, the Company recognizes revenues from construction services for public facilities (infrastructures) by the percentage-of-completion method, and recognizes the consideration for construction services at its fair value, as an intangible asset. The Company accounts for such intangible asset (along with the present value of committed payments towards concession arrangement to the grantor at the appointed date e.g Negative Grant, premium etc) in accordance with the provisions of Ind AS 38 and is amortized based on projected traffic count or revenue, as detailed in Note 3.1.v, taking into account the estimated period of commercial operation of infrastructure which generally coincides with the concession period. Intangible asset is capitalized when the project is complete in all respects and when the Company receives the final completion certification from the grantor as specified in the Concession Agreement and not on completion of component basis as the intended purpose and economics of the project is to have the complete length of the infrastructure available for use. The component based certification which is received is an intermediate mechanism provided in the Concession Agreement to provide a right to collect eligible toll to compensate the Company for cost recovery during construction period and for any delays beyond the control of the Company. However, where there is other than temporary delay due to reasons beyond the control of the Company, the management may treat constructed portion of the infrastructure as a completed project. Eligible toll revenue collected on receipt of the component based certification is reduced from the cost of construction, as the construction work on remaining portion is still in progress and the entire asset is not ready for its intended purpose.

i. Contractual obligation to restore the infrastructure to a specified level of serviceability

The Company has contractual obligations to maintain the infrastructure to a specified level of serviceability or restore the infrastructure to a specified condition during the concession period and/or at the time of hand over to the grantor of the SCA. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. The timing and amount of such cost are estimated and recognised on a discounted basis by charging costs to revenue on the units of usage method i.e. on the number of vehicles expected to use the project facility, over the period at the end of which the overlay is estimated to be carried out based on technical evaluation by independent experts.

ii. **Revenue recognition**

Once the infrastructure is in operation, the treatment of income is as follows:

Revenue for concession arrangements under intangible asset model is recognized in the period of collection of toll which generally coincides with the usage of public service or where from such rights have been auctioned, in the period to which auctioned amount relates.

iii. **Revenue from construction contracts**

The Company recognizes and measures revenue, costs and margin for providing construction services during the period of construction of the infrastructure in accordance with Ind AS 11 'Construction Contracts'.

When the outcome of a construction contract can be estimated reliably and it is probable that it will be profitable, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs.

For the purposes of recognizing revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

iv. **Borrowing cost related to SCAs**

Borrowing costs attributable to the construction of infrastructure assets are capitalized up to the date of the final completion certificate of the asset / facility received from the authority for its intended use specified in the Concession Agreement. All borrowing costs subsequent to the capitalization of the intangible assets are charged to the Statement of Profit and Loss in the period in which such costs are incurred.

v. **Amortization of intangible asset under SCA**

The intangible rights relating to infrastructure assets, which are recognised in the form of right to charge users of the infrastructure asset are amortized by taking proportionate of actual traffic count for the period over total projected traffic count from project to cost of intangible assets; i.e. proportionate of actual traffic for the period over total projected traffic count from the intangible assets expected to be earned over the balance concession period as estimated by the management. However, with respect to toll road assets constructed and in operation as at March 31, 2016, the amortization of such intangible rights are based on actual revenue earned compared to total projected revenue from the project over the balance concession period to cost intangible assets, instead of traffic count.
Total projected revenue / traffic count is reviewed at the end of each financial year and is adjusted to reflect

any changes in the estimates which lead to the actual collection at the end of the concession period.

vi. **Claims**

Claims raised with the concession granting authority towards reimbursement for costs incurred due to delay in handing over of unencumbered land to the Company for construction or other delays attributable solely to the concession granting authority are recognised when there are is a reasonable certainty that there will be inflow of economic benefits to the Company. The claims when recognised as such are reduced from the carrying amount of the intangible asset under the service concession arrangement, to the extent the claims relate to costs earlier included as a part of the carrying amount of these assets. Further, these claims are credited to profit or loss to the extent they relate to costs earlier debited to profit or loss. The claims are presented separately as a financial asset

vii. **Accounting of receivable and payable from / to the grantor (Grants)**

Receivable towards the concession arrangement from the grantor

When the arrangement has a contractual right to receive cash or other financial asset from the grantor specifically towards the concession arrangement (in the form of grants) during the construction period or otherwise, such a right, to the extent eligible, is recorded as financial asset in accordance with Ind AS 109 *"Financial Instruments,"* at amortized cost.

For Intangible assets where the Company has availed the exemption under D7AA of Ind AS 101, the Financial asset has to be recognized only for all such receivables post April 01, 2015

3.2 Borrowing costs

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to the financing of construction of development of assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which tare incurred.

3.3 Taxation

3.3.1 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.

3.3.2 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 credits such as MAT 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.

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 to recover or settle the carrying amount of its assets and liabilities.

3.4 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.

Where the construction or development of any asset requiring a substantial period of time to set up for its intended use is funded by borrowings, the corresponding borrowing costs are capitalised up to the date when the asset is ready 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
Mobile Phones and I pad / Tablets	Fully depreciated in the year of purchase
Specialised office equipment's	3
Vehicles	5
Assets provided to employees	3

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.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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.

3.5 Intangible assets (other than those covered by SCAs)

Intangible assets, other than those covered by SCAs, comprise of software and amounts paid for acquisition of commercial rights under an "Operation and Maintenance" agreement for a toll road project and are depreciated as follow:

Asset Type	Useful Life
Licensed Software	Over the licence period
Intellectual Property Rights	5 - 7 years
Commercial Rights acquired under Operations and Maintenance Agreement	The minimum balance period of the concession agreement relating to the corresponding toll road project

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, other than those covered by SCAs, are amortised on a "straight line" basis over their estimated useful lives. The estimated useful life of software is four years. The amount paid for acquisition of the rights under the "Operations and Maintenance" agreement is amortised over the minimum balance period (as at the time of acquisition) of the concession agreement relating to the corresponding toll road project.

3.6 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 group 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.

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.

3.7 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 Group 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).

3.8 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.

3.9 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.

3.9.1 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.

3.9.2 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 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.

3.9.3 Financial assets at FVTPL

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 in the "Other income" line item.

3.9.4 Impairment of financial assets

In accordance with Ind AS 109, the group 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 group 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 group's senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group 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 group 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 consolidated 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.

3.9.5 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.

3.9.6 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.

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

The rate considered for recognizing Finance Income (EIR) and fair valuation of the Receivable under SCA will be finalised on achievement of PCOD / CoD for the Project. Thereafter this rate will remain constant during the balance concession period.

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.

3.10 Financial liabilities and equity instruments-

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

3.10.1 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.

3.10.2 Compound instruments

The components of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by issue of fixed number of the Company's own equity instruments in exchange of a fixed amount of cash or another financial asset, is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

3.10.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

3.10.3.1 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 amortized 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.

3.10.3.2 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 period.

3.10.3.3 Derecognition of financial liabilities

The Company derecognizes 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.

3.11 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit after tax for the period attributable to equity shareholders of the Company by the weighted Average number of shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit after tax or Loss for the period attributable to equity shareholders of the Company by the weighted Average number of shares outstanding during the period adjusted for the effects of all dilutive potential equity shares.

4 First-time adoption optional exemptions

4.1 Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing 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 Group as detailed below.

4.2 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).

4.3 Classification of debt instruments

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

4.4 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.

4.5 Assessment of embedded derivatives

The Group has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

4.6 Deemed cost for property, plant and equipment, investment properties, and intangible assets (other than assets under SCAs)

For other than SCA assets, the Company has elected to continue with the carrying value of all of its plant and equipment, investment properties, 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.

4.6A. Deemed cost for intangible assets under SCAs

For intangible assets under SCA, the Company has elected to continue with the carrying value of all of its 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, as per the provisions of para D7AA of Ind AS 101.

In accordance with the above, it may be noted that when the Company opts for deemed cost exemption under paragraph D7AA of Ind AS 101 then no adjustments to be made to the carrying amount of Intangible assets Thus, having availed the exemption provided in paragraph D7AA, the Company will be carrying forward the previous GAAP* carrying amount for its Intangible assets.

*Previous GAAP refers to the financial statements prepared in accordance with Indian GAAP and principles outlined in the exposure draft on the guidance note on accounting for SCA for public to private SCA, issued by ICAI.

4.7 Amortisation method of Intangible assets under Service Concession Arrangement

For all intangible road assets capitalized upto March 31, 2016, the Company has elected to continue the previous GAAP method of amortizing the intangible asset.

4.8 Foreign Currency Monetary items

The Company had exercised the option of mortising / 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.

ITNL Road Infrastructure Development Company Limited
Notes forming part of the Financial Statements for the year ended March 31, 2017

Ind AS 101 reconciliations
Effect of Ind AS adoption on the balance sheet as at March 31, 2016 and March 31, 2015

		As at March 31, 2016 (End of last period presented under previous IGAAP)			As at April 1, 2015 (Date of transition)		
	Notes	Previous IGAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous IGAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Non-current assets							
(a) Property, plant and equipment		3,34,372	-	3,34,372	3,98,802	0	3,98,802
(b) Capital work-in-progress							
(c) Investment property	a						
(d) Intangible assets							
(i) Goodwill							
(ii) under SCA		2,91,18,91,233	(1)	2,91,18,91,232	2,92,14,48,603	(1)	2,92,14,48,602
(iii) others	b		1	1		1	1
(iv) Intangible assets under development		4,43,69,02,618	(18,43,023)	4,43,50,59,595	4,23,00,44,147	-	4,23,00,44,147
(e) Financial assets							
(i) Investments	a,b,c						
(ii) Trade receivables	d						
(iii) Loans	m	60,66,38,042	(60,66,38,042)		61,92,98,871	(61,92,98,871)	
(iv) Other financial assets			2,86,150	2,86,150			
						2,86,150	2,86,150
(f) Tax assets							
(i) Deferred Tax Asset (net)	d,g,m,n						
(ii) Current Tax Asset (Net)			2,12,51,420	2,12,51,420		2,06,85,228	2,06,85,228
(g) Other non-current assets	g,n	48,29,014	58,29,53,591	58,77,82,605	1,33,55,545	58,81,47,696	60,15,03,241
Total non-current assets		**7,96,05,95,279**	**(39,89,904)**	**7,95,66,05,375**	**7,78,45,45,968**	**(1,01,79,797)**	**7,77,43,66,171**
Current assets							
(a) Inventories							
(b) Financial assets							
(i) Investments							
(ii) Trade receivables	d			-			
(iii) Cash and cash equivalents	e	19,61,87,856	(18,65,00,000)	96,87,856	20,17,02,156	(18,74,61,348)	1,42,40,808
(iv) Bank balances other than (iii) above	e		18,76,78,712	18,76,78,712		18,83,89,763	18,83,89,763
(v) Loans	m	6,10,147	(6,10,147)		9,76,286	(9,76,286)	
(vi) Other financial assets			29,812	29,812		1,30,27,562	1,30,27,562
						-	
(c) Current tax assets (Net)						-	
						-	
(d) Other current assets	g,n	1,21,45,139	(1,15,34,993)	6,10,146	3,03,67,002	(2,87,45,853)	16,21,149
		20,89,43,142	**(1,09,36,616)**	**19,80,06,526**	**23,30,45,444**	**(1,57,66,162)**	**21,72,79,282**
Assets classified as held for sale							
Total current assets		**20,89,43,142**	**(1,09,36,616)**	**19,80,06,526**	**23,30,45,444**	**(1,57,66,162)**	**21,72,79,282**
Total Assets		**8,16,95,38,421**	**(1,49,26,520)**	**8,15,46,11,901**	**8,01,75,91,412**	**(2,59,45,959)**	**7,99,16,45,453**
Equity							
(a) Equity share capital	f	1,40,00,00,000	-	1,40,00,00,000	1,40,00,00,000	-	1,40,00,00,000
(b) Other Equity	b,c,d,f,g,k,m,n	(1,65,58,35,378)	2,15,33,630	(1,63,43,01,748)	(1,24,13,84,183)	(21,72,649)	(1,24,35,56,832)
Equity attributable to owners of the Company		(25,58,35,378)	2,15,33,630	(23,43,01,748)	15,86,15,817	(21,72,649)	15,64,43,168
Non-controlling interests							
Total equity		**(25,58,35,378)**	**2,15,33,630**	**(23,43,01,748)**	**15,86,15,817**	**(21,72,649)**	**15,64,43,168**
Minority interest (previous GAAP)							
Non-current liabilities							
Financial liabilities							
(i) Borrowings	f,g	2,28,25,57,143	(1,18,62,695)	2,27,06,94,448	2,83,70,28,572	(2,37,73,311)	2,81,32,55,261
(ii) Trade and other payables		6,65,78,558	(6,65,78,558)		6,29,60,568	(6,29,60,568)	
(ii) Other financial liabilities	h		4,19,81,103	4,19,81,103		6,29,60,568	6,29,60,568
Provisions	i						
Deferred tax liabilities (Net)	d,g,m,n						
Other non-current liabilities	h						
Total non-current liabilities		**2,34,91,35,701**	**(3,64,60,150)**	**2,31,26,75,551**	**2,89,99,89,140**	**(2,37,73,311)**	**2,87,62,15,829**
Current liabilities							
Financial liabilities							
(i) Borrowings		2,93,44,71,429	(75,69,71,429)	2,17,75,00,000	1,92,99,71,428	(72,74,71,428)	1,20,25,00,000
(ii) Trade and other payables			3,07,19,62,451	3,07,19,62,451		3,02,84,71,575	3,02,84,71,575
(iii) Other financial liabilities	f,j		82,36,90,901	82,36,90,901		72,74,71,429	72,74,71,429
			-				
Provisions	k,l		-			-	
Current tax liabilities (Net)	l	3,14,17,66,669	(3,14,17,66,669)			-	
Other current liabilities	j		30,84,746	30,84,746	3,02,90,15,027	(3,02,84,71,575)	5,43,452
		6,07,62,38,098	**-**	**6,07,62,38,098**	**4,95,89,86,455**	**1**	**4,95,89,86,456**
Liabilities directly associated with assets classified as held for sale							
Total current liabilities		**6,07,62,38,098**	**-**	**6,07,62,38,098**	**4,95,89,86,455**	**1**	**4,95,89,86,456**
Total liabilities		**8,42,53,73,799**	**(3,64,60,150)**	**8,38,89,13,649**	**7,85,89,75,595**	**(2,37,73,310)**	**7,83,52,02,285**
Total equity and liabilities		**8,16,95,38,421**	**(1,49,26,520)**	**8,15,46,11,901**	**8,01,75,91,412**	**(2,59,45,959)**	**7,99,16,45,453**

ITNL Road Infrastructure Development Company Limited
Notes forming part of the Financial Statements for the year ended March 31, 2017
Reconciliation of total equity as at March 31, 2016 and March 31, 2015

	Notes	As at March 31, 2016 (End of last period presented under previous IGAAP	As at April 1, 2015 (End of comparable interim period presented under previous IGAAP)
Total equity / shareholders' funds under previous GAAP		(25,58,35,378)	15,86,15,817
Adjustments:			
Construction Margin	f	(2,27,54,432)	
Borrowing Cost	g	12,20,802	21,72,649
Total adjustment to equity		(2,15,33,630)	21,72,649
Total equity under Ind AS		(23,43,01,748)	15,64,43,168
Control Total		-	-

Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2016

	Notes	Year ended March 31, 2016 (Latest period presented under previous GAAP)		
		Previous IGAAP	Effect of transition to Ind AS	Ind AS
Revenue from Operations		27,16,71,788	17,61,33,486	44,78,05,274
Other income	c	1,12,67,402	0	1,12,67,402
Total Income		28,29,39,190	17,61,33,486	45,90,72,676
Expenses				
Cost of materials consumed				
Construction costs			15,33,79,054	15,33,79,054
Operating expenses of SCA		7,80,35,496	-	7,80,35,496
Employee benefits expense		2,35,184	-	2,35,184
Finance costs	f,g	60,03,92,666	(9,51,868)	59,94,40,798
Depreciation and amortisation expense	b	97,14,710	-	97,14,710
Other expenses		90,12,329	21	90,12,350
Total expenses		69,73,90,385	15,24,27,207	84,98,17,592
Profit before exceptional items and tax		(41,44,51,195)	2,37,06,279	(39,07,44,916)
Add: Exceptional items				
Profit before tax		(41,44,51,195)	2,37,06,279	(39,07,44,916)
Profit for the period from continuing operations		(41,44,51,195)	2,37,06,279	(39,07,44,916)

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

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)		
		Previous IGAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities		19,80,89,319	5,76,95,005	25,57,84,324
Net cash flows from investing activities		(7,87,46,834)	(4,54,18,271)	(12,41,65,105)
Net cash flows from financing activities		(12,38,95,438)	(1,22,76,734)	(13,61,72,172)
Net increase (decrease) in cash and cash equivalents		(45,52,952)	0	(45,52,952)
Cash and cash equivalents at the beginning of the period		1,42,40,808	(0)	1,42,40,808
Cash and cash equivalents at the end of the period		96,87,856	0	96,87,856

ITNL Road Infrastructure Development Company Limited
Notes forming part of the Financial Statements for the year ended March 31, 2017

a. Statement of changes in equity for the year ended March 31, 2017

Equity share capital	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Balance as at the beginning of the year	1,40,00,00,000	1,40,00,00,000
Changes in equity share capital during the year - Share capital issued	-	-
Balance as at end of the year	**1,40,00,00,000**	**1,40,00,00,000**

b. Statement of changes in other equity

For the year ended March 31, 2017

Particulars	Capital Reserve	Retained earnings	Total
Balance as at April 1, 2016	39,00,00,000	(2,02,43,01,748)	(1,63,43,01,748)
Movement during the year	-	-	-
Profit for the year	-	(65,65,24,805)	(65,65,24,805)
Balance as at March 31, 2017	**39,00,00,000**	**(2,68,08,26,553)**	**(2,29,08,26,553)**

For the year ended March 31, 2016

Particulars	Capital Reserve	Retained earnings	Total
Balance as at April 1, 2015	39,00,00,000	(1,63,35,56,832)	(1,24,35,56,832)
Movement during the year	-	-	-
Profit for the year	-	(39,07,44,916)	(39,07,44,916)
Balance as at March 31, 2016	**39,00,00,000**	**(2,02,43,01,748)**	**(1,63,43,01,748)**

ITNL Road Infrastructure Development Company Limited
Notes forming part of the Financial Statements for the year ended March 31, 2017

5. Property, Plant and Equipment

Current Year - March 31, 2017

Particulars	Cost or Deemed cost				Accumulated depreciation and impairment				Carrying Amount	
	Balance as at April 1, 2016	Additions	Disposals	Balance at March 31, 2017	Balance as at April 1, 2016	Depreciation expense	Disposals	Balance at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Property plant and equipment										
Vehicles	5,53,252	-	-	5,53,252	2,02,657	84,188	-	2,86,845	2,66,407	3,50,595
Data processing equipments	4,27,642	-	-	4,27,642	4,64,815	30,977	-	4,95,792	(68,150)	(37,173)
Office equipments	1,19,289	-	-	1,19,289	2,01,168	-	-	2,01,168	(81,879)	(81,879)
Furniture and fixtures	3,13,572	-	-	3,13,572	2,10,743	44,757	-	2,55,500	58,072	1,02,829
Total	14,13,755	-	-	14,13,755	10,79,383	1,59,922	-	12,39,305	1,74,450	3,34,372

Previous Year - March 31, 2016

Particulars	Cost or Deemed cost				Accumulated depreciation and impairment				Carrying Amount	
	Balance as at April 1, 2015	Additions	Disposals	Balance at March 31, 2016	Balance as at April 1, 2015	Depreciation expense	Disposals	Balance at March 31, 2016	As at March 31, 2016	As at April 1, 2015
Property plant and equipment										
Vehicles	5,53,252	-	-	5,53,252	3,02,084	84,188	(1,83,615)	2,02,657	3,50,595	2,51,168
Data processing equipments	5,18,321	92,939	(1,83,618)	4,27,642	5,18,312	28,395	(81,892)	4,64,815	(37,173)	9
Office equipments	2,01,192	-	(81,903)	1,19,289	2,01,168	-	-	2,01,168	(81,879)	24
Furniture and fixtures	3,33,530	-	(19,958)	3,13,572	1,85,929	44,757	(19,943)	2,10,743	1,02,829	1,47,601
Total	16,06,295	92,939	(2,85,479)	14,13,755	12,07,493	1,57,340	(2,85,450)	10,79,383	3,34,372	3,98,802

ITNL Road Infrastructure Development Company Limited
Notes forming part of the Financial Statements for the year ended March 31, 2017

6. Intangible Assets

Current Year - March 31, 2017

Particulars	Cost or deemed cost				Accumulated depreciation			Carrying Amount	
	Balance as at April 1, 2016	Additions during the year	Adjustments during the year	Balance as at March 31, 2017	Balance as at April 1, 2016	Amortisation expense	Balance as at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Software / Licences acquired	1	-	-	1	-	-	-	1	1
Rights under service concession arrangements	3,50,94,16,599	-		3,50,94,16,599	59,75,25,367	1,10,00,953	60,85,26,320	2,90,08,90,279	2,91,18,91,232
Intangible assets under development	4,43,50,59,595	52,19,603	50,88,542	4,44,53,67,740	-	-	-	4,44,53,67,740	4,43,50,59,595
Total	7,94,44,76,195	52,19,603	50,88,542	7,95,47,84,340	59,75,25,367	1,10,00,953	60,85,26,320	7,34,62,58,020	7,34,69,50,828

Previous Year - March 31, 2016

Particulars	Cost or deemed cost				Accumulated depreciation			Carrying Amount	
	Balance as at April 1, 2015	Additions during the year	Adjustments during the year	Balance as at March 31, 2016	Balance as at April 1, 2015	Amortisation expense	Balance as at March 31, 2016	As at March 31, 2016	As at April 1, 2015
Software / Licences acquired	1	-	-	1	-	-	-	1	1
Rights under service concession arrangements	3,50,94,16,599	-		3,50,94,16,599	58,79,67,997	95,57,370	59,75,25,367	2,91,18,91,232	2,92,14,48,602
Intangible assets under development	4,23,00,44,147	22,96,12,903	(2,45,97,455)	4,43,50,59,595	-	-	-	4,43,50,59,595	4,23,00,44,147
Total	7,73,94,60,747	22,96,12,903	(2,45,97,455)	7,94,44,76,195	58,79,67,997	95,57,370	59,75,25,367	7,34,69,50,828	7,15,14,92,750

Footnote :

Estimates under Service Concession Arrangements :

Under the Service Concession Arrangements, the Company has received the right to charge users of the public services, such rights are recognized and classified as "Intangible Assets". Such a right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognized and classified as intangible assets.

The book value of such an intangible asset is recognized by the company at the fair value of the constructed asset which comprise the actual construction cost plus the margins. The intangible assets is amortised on the basis of units of usage over the lower of the remaining concession period

Estimates of Margin are based on internal evaluation by management. Estimates of units of usage, toll rates contractual liability for overlay expenditure and the timing of the same are based on technical evaluation and/or traffic study estimates by external agencies.

The Key elements are tabulated below

Particulars	Upto /As at 31.03.2017	Upto /As at 31.03.2016
Margin on Construction services recognized in respect of Intangible Assets	2,32,71,690	2,27,54,432
Carrying Amount of Intangible Assets	2,90,08,90,279	2,91,18,91,232
Carrying Amount of Intangible Assets under development	4,44,53,67,740	4,43,50,59,595
Amortization charge in respect of intangible assets	60,85,26,320	59,75,25,367
Total Estimated revenue for the project (Over the entire life of Concession period)	79,59,69,85,186	79,59,29,64,814
Provision for overlay in rerpect of intangible assets	-	-

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Amortization charge in respect of Intangible Assets	1,10,00,953	95,57,370

7. Trade receivables

Trade receivables- Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivables outstanding for a period less than six months			
Unsecured, considered good	8,216	-	-
Total	**8,216**	**-**	**-**

8. Other financial assets

8A. Other financial assets - Non current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Others			
- Security Deposits	3,06,150	2,86,150	2,86,150
Total	**3,06,150**	**2,86,150**	**2,86,150**

8B. Other financial assets - Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Others			
- Grant Receivable from MORTH	-	-	1,29,99,999
- National Saving Certificates	31,470	29,812	27,563
- Receivable from MORTH	1,41,71,031	-	-
Total	**1,42,02,501**	**29,812**	**1,30,27,562**

9. Cash and cash equivalents

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with Banks	1,29,97,261	87,55,763	1,34,51,579
Cash on hand	10,88,234	9,32,093	7,89,229
Cash and cash equivalents	**1,40,85,495**	**96,87,856**	**1,42,40,808**
Balances held as margin money or as security against borrowings	19,78,03,439	18,65,00,000	18,74,61,348
Interest on Fixed Deposit	21,28,647	11,78,712	9,28,415
Other bank balances	**19,99,32,086**	**18,76,78,712**	**18,83,89,763**

At 31 March 2017, the company had available INR 144.22 Crores (31 March 2016: INR 146.22 Crores, 1 April 2015: 171.81 crores) of undrawn committed borrowing facilities.

10. Other assets

10A. Other assets - Non Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital Advances - Related Party	57,89,79,659	57,94,52,411	59,26,79,432
Others			
- Preconstruction and Mobilisation advances	-	26,82,133	31,75,748
- WCT Receivable	56,48,061	56,48,061	56,48,061
Total	**58,46,27,720**	**58,77,82,605**	**60,15,03,241**

10B. Other assets - Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Others			
- Prepaid expenses	7,96,623	6,10,146	9,76,286
- Other Receivables	-		6,44,863
Total	**7,96,623**	**6,10,146**	**16,21,149**

11. Construction contracts disclosures

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Contracts in progress at the end of the reporting period			
Cumulative revenue recognised	18,13,53,089	17,61,33,486	-
Contract revenue recognised as revenue during the period	52,19,603	17,61,33,486	-

12. Equity Share Capital

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equity share capital	1,40,00,00,000	1,40,00,00,000	1,40,00,00,000
Total	**1,40,00,00,000**	**1,40,00,00,000**	**1,40,00,00,000**

Authorised Share capital :			
150,000,000 equity shares of Rs.10 each	1,50,00,00,000	1,50,00,00,000	1,50,00,00,000
Issued and subscribed capital comprises:			
140,000,000 fully paid equity shares of Rs.10 each (as at March 31, 2016: 1,40,00,00,000; as at April 1, 2015: 1,40,00,00,000)	1,40,00,00,000	1,40,00,00,000	1,40,00,00,000
	1,40,00,00,000	**1,40,00,00,000**	**1,40,00,00,000**

12.1 Movement during the period

Particulars	For the Year ended March 31, 2017		For the Year ended March 31, 2016		For the Year ended April 1, 2015	
	Number of shares	Share capital (Amount)	Number of shares	Share capital (Amount)	Number of shares	Share capital (Amount)
Balance at the start of the period	14,00,00,000	1,40,00,00,000	14,00,00,000	1,40,00,00,000	14,00,00,000	1,40,00,00,000
Movements	-	-	-	-	-	
Balance at the end of the period	**14,00,00,000**	**1,40,00,00,000**	**14,00,00,000**	**1,40,00,00,000**	**14,00,00,000**	**1,40,00,00,000**

Fully paid equity shares, which have a par value of Rs.10, carry one vote per share and carry a right to dividends.

12.2 Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and associates

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
IL&FS Transportation Networks Limited (ITNL) (No of Shares)	14,00,00,000	14,00,00,000	14,00,00,000
Total	**14,00,00,000**	**14,00,00,000**	**14,00,00,000**

12.3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares						
ITNL	14,00,00,000	100	14,00,00,000	100	14,00,00,000	100
Total	**14,00,00,000**	**100**	**14,00,00,000**	**100**	**14,00,00,000**	**100**

13. Other Equity

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	For April 1, 2015
Capital Reserve			
Balance at beginning of the period	39,00,00,000	39,00,00,000	39,00,00,000
Movement	-	-	-
Balance at end of the period	**39,00,00,000**	**39,00,00,000**	**39,00,00,000**
Retained Earnings			
Balance at beginning of the period	(2,02,43,01,748)	(1,63,35,56,832)	(1,38,13,39,446)
Add/(Less) : Profit / (Loss) during the year	(65,65,24,805)	(39,07,44,916)	(25,22,17,386)
Balance at end of the period	**(2,68,08,26,553)**	**(2,02,43,01,748)**	**(1,63,35,56,832)**
Total	**(2,29,08,26,553)**	**(1,63,43,01,748)**	**(1,24,35,56,832)**

14. Non-current Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured – at amortised cost			
(i)Term loans			
- from banks	114,285,715	422,857,143	731,428,571
Less: Unamortised Borrowing Cost	(3,566,663)	(11,862,695)	(23,773,310)
- from related parties	1,185,900,000	1,165,900,000	963,400,000
Secured – at amortised cost			
(i)Term loans			
- from banks	335,400,000	693,800,000	1,142,200,000
Total Non-current borrowings	**1,632,019,052**	**2,270,694,448**	**2,813,255,261**

14.1 Summary of borrowing arrangements

Amounts repayable to related parties of the Company. Interest of 13.25 - 13.50% per annum is charged on the outstanding loan balances (as at March 31, 2016: 13.25% per annum; as at April 1, 2015: 13.25% per annum).

Footnote

1. Security details

Secured against:	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
	Long-term Non-current	Short-term	Long-term Non-current	Short-term	Long-term Non-current	Short-term
1. Secured By: Term loans from banks are secured by hypothecation of: (a) All movable, tangible and intangible assets, receivables, cash and investments created as part of the projects. (b) All the monies lying in Escrow Account into which all the investments in the Project and all Project revenues and insurance proceeds are to be deposited. (c) Assignment of all rights, title, benefits, claims and demands of the Borrowers under Project Agreements i.e. Concession agreement, Substitution agreement, Construction contract and operations contract, etc. (d) Assignment of all rights under project guarantees obtained pursuant to development contract or operations contract, if any relating to the project. (e) First ranking assignment of all contract, documents insurance contracts/insurance Proceeds (Security Trustee to be named as loss payee), clearances and interests of the Borrower. (f) Debt Service Reserve Account and any other accounts required to be created by the Borrower under any Project agreement contract.	335,400,000	358,400,000	693,800,000	448,400,000	1,142,200,000	418,900,000
Total	335,400,000	358,400,000	693,800,000	448,400,000	1,142,200,000	418,900,000

2. Age-wise analysis and Repayment terms of the Company's Long term Borrowings are as below:

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*
1 Year	666,971,431	756,971,429	727,471,447	Quarterly	Quarterly	Quarterly
1 Year to 3 Years	609,435,712	1,049,657,149	1,423,942,859	Quarterly	Quarterly	Quarterly
3 Years to 5 Years	53,250,000	279,999,994	609,435,712	Quarterly	Quarterly	Quarterly
More than 5 Year	972,900,000	952,900,000	803,650,000	Quarterly	Quarterly	Quarterly
Total	2,302,557,143	3,039,528,571	3,564,500,018			

ITNL Road Infrastructure Development Company Limited
Notes forming part of the Financial Statements for the year ended March 31, 2017

14. Non-current Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured – at amortised cost			
(i)Term loans			
- from banks	11,42,85,715	42,28,57,143	73,14,28,571
Less: Unamortised Borrowing Cost	(35,66,663)	(1,18,62,695)	(2,37,73,310)
- from related parties	1,18,59,00,000	1,16,59,00,000	96,34,00,000
Secured – at amortised cost			
(i)Term loans			
- from banks	33,54,00,000	69,38,00,000	1,14,22,00,000
Total Non-current borrowings	**1,63,20,19,052**	**2,27,06,94,448**	**2,81,32,55,261**

14.1 Summary of borrowing arrangements

Amounts repayable to related parties of the Company. Interest of 13.25 - 13.50% per annum is charged on the outstanding loan balances (as at March 31, 2016: 13.25% per annum; as at April 1, 2015: 13.25% per annum).

Footnote

1. Security details	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
Secured against:	Long-term Non-current	Short-term	Long-term Non-current	Short-term	Long-term Non-current	Short-term
1. Secured By:	33,54,00,000	35,84,00,000	69,38,00,000	44,84,00,000	1,14,22,00,000	41,89,00,000
Term loans from banks are secured by hypothecation of: (a) All movable, tangible and intangible assets, receivables, cash and investments created as part of the projects. (b) All the monies lying in Escrow Account into which all the investments in the Project and all Project revenues and insurance proceeds are to be deposited. (c) Assignment of all rights, title, benefits, claims and demands of the Borrowers under Project Agreements i.e. Concession agreement, Substitution agreement, Construction contract and operations contract, etc. (d) Assignment of all rights under project guarantees obtained pursuant to development contract or operations contract, if any relating to the project. (e) First ranking assignment of all contract, documents insurance contracts/insurance Proceeds (Security Trustee to be named as loss payee), clearances and interests of						
Total	**33,54,00,000**	**35,84,00,000**	**69,38,00,000**	**44,84,00,000**	**1,14,22,00,000**	**41,89,00,000**

2. Age-wise analysis and Repayment terms of the Company's Long term Borrowings are as below:

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*
1 Year	66,69,71,431	75,69,71,429	72,74,71,429	Quarterly	Quarterly	Quarterly
1 Year to 3 Years	60,94,35,712	1,04,96,57,149	1,42,39,42,859	Quarterly	Quarterly	Quarterly
3 Years to 5 Years	5,32,50,000	27,99,99,994	60,94,35,712	Quarterly	Quarterly	Quarterly
More than 5 Year	97,29,00,000	97,29,00,000	1,02,61,50,000	Quarterly	Quarterly	Quarterly
Total	**2,30,25,57,143**	**3,05,95,28,571**	**3,78,70,00,000**			

15. Other financial liabilities

15A. Other financial liabilities - Non Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Others :-			
- Retention money payable	4,71,98,957	4,19,81,103	6,29,60,568
Total	**4,71,98,957**	**4,19,81,103**	**6,29,60,568**

15B. Other financial liabilities - Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Current maturities of long-term debt - Unsecured	30,85,71,429	30,85,71,429	30,85,71,429
Current maturities of long-term debt - Secured	35,84,00,000	44,84,00,000	41,89,00,000
(b) Interest accrued			
- from banks	2,51,712	-	-
- from related parties	32,92,28,255	6,67,19,472	-
Total	**99,64,51,396**	**82,36,90,901**	**72,74,71,429**

16. Other current liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Advances	15,861	30,803	29,225
(b) Others			
-Statutory dues	40,17,607	3,29,295	5,14,227
-Expenses Payable	14,45,415	27,24,648	
Total	**54,78,883**	**30,84,746**	**5,43,452**

17. Current Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured - at amortised cost			
(a) Loans repayable on demand			
- from bank	1,05,00,00,000	-	-
Loans from related parties	3,88,70,10,098	2,17,75,00,000	1,20,25,00,000
Total	**4,93,70,10,098**	**2,17,75,00,000**	**1,20,25,00,000**

Amounts repayable to related parties of the Company. Interest of 13.25 - 13.50% per annum is charged on the outstanding loan balances (as at March 31, 2016: 13.25% per annum; as at April 1, 2015: 13.25% per annum).

18. Trade payables

18A. Trade payables - Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade payables			
- to others	31,20,661	44,98,114	1,34,55,907
- to related parites	1,45,22,21,672	3,06,74,64,337	3,01,50,15,668
Total	**1,45,53,42,333**	**3,07,19,62,451**	**3,02,84,71,575**

19. Current tax assets and liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current tax assets			
Others - Advance Payment of taxes	2,22,82,905	2,12,51,420	2,06,85,228
	2,22,82,905	2,12,51,420	2,06,85,228
Current Tax Assets (current portion)	-	-	-
Current Tax Assets (non-current portion)	2,22,82,905	2,12,51,420	2,06,85,228

20. Revenue from operations

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Construction Revenue	52,19,603	17,61,33,486
Operation and maintenance income	-	6,50,001
(b) Toll revenue	28,31,82,531	27,10,21,787
Total	**28,84,02,134**	**44,78,05,274**

21. Other Income

a) Interest Income

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Bank deposits (at amortised cost)	1,21,18,259	1,12,57,182
Total (a)	**1,21,18,259**	**1,12,57,182**

b) Other Non-Operating Income

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Others		
- Miscellaneous income	64,162	10,220
Total (b)	**64,162**	**10,220**

Tota (a+b)	**1,21,82,421**	**1,12,67,402**

22. Cost of material consumed & Construction Cost

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Construction Contract cost	47,02,345	15,33,79,054
Total	**47,02,345**	**15,33,79,054**

23. Operating Expenses

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Operation and maintenance expenses	7,67,13,490	7,80,35,496
Total	**7,67,13,490**	**7,80,35,496**

24. Employee benefits expense

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and Wages	1,80,000	2,35,184
Total	**1,80,000**	**2,35,184**

25. Finance costs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Continuing operations		
(a) Interest costs :-		
Interest on loans from related parties	66,88,81,263	36,19,31,165
Other interest expense	17,20,54,435	22,29,32,069
Total	**84,09,35,698**	**58,48,63,234**
(b) Other borrowing costs		
- Guarantee Commission	14,75,584	14,99,396
- Finance Charges	1,03,94,203	1,30,78,169
Total	**1,18,69,786**	**1,45,77,565**
Total (a+b)	**85,28,05,484**	**59,94,40,798**

Finance Cost Capitalized Nil in FY 2016-17 & (Rs. 5,34,79,417 in PY 2015-16)

26. Depreciation and amortisation expense

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation of property, plant and equipment	1,59,922	1,57,340
Amortisation of intangible assets	1,10,00,953	95,57,370
Total depreciation and amortisation	**1,11,60,875**	**97,14,710**

27. Other expenses

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Travelling and conveyance	69,708	3,05,938
Legal and consultation fees	81,45,346	62,54,232
Rates and taxes	17,460	32,039
Communication expenses	-	480
Insurance	10,64,361	3,03,751
Printing and Stationary	1,711	66,098
Directors Fees	3,81,218	4,20,674
Bank Commission	8,78,946	7,76,616
Payment to auditors (see below note)	8,34,558	4,81,470
Miscellaneous expenses	1,53,858	3,71,052
Total	**1,15,47,166**	**90,12,350**

Note : Payment to auditors

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a) For audit (incl. service tax)	4,94,500	4,06,475
b) For other services (incl. service tax)	2,10,675	68,229
c) For reimbursement of expenses (incl. service tax)	3,758	6,766
d) For Tax audit (excl. service tax)	1,25,625	
Total	**8,34,558**	**4,81,470**

28. Earnings per share

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Basic earnings per share	(4.69)	(2.79)
Diluted earnings per share	(4.69)	(2.79)

28.1 Basic Earnings per share

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit for the period attributable to owners of the Company (A)	(65,65,24,805)	(39,07,44,916)
Weighted average number of equity shares for the purposes of basic earnings per share (B)	14,00,00,000	14,00,00,000
Basic Earnings per share (A/B)	(4.69)	(2.79)

28.2 Diluted earnings per share

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Earnings used in the calculation of basic earnings per share	(65,65,24,805)	(39,07,44,916)
Earnings used in the calculation of diluted earnings per share (A)	(65,65,24,805)	(39,07,44,916)
Weighted average number of equity shares used in the calculation of basic earnings per share	14,00,00,000	14,00,00,000
Adjustments	-	-
Weighted average number of equity shares used in the calculation of diluted earnings per share (B)	14,00,00,000	14,00,00,000
Diluted earnings per share (A/B)	(4.69)	(2.79)

29. Financial instruments

29.1 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 debt (borrowings as detailed in notes) and equity of the Company (comprising issued capital, reserves and subordinated debt from the Immediate Parent Company).

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

29.1.1 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)	7,56,54,80,546	5,27,18,85,349	4,74,32,26,690
Cash and bank balances	21,40,17,581	19,73,66,568	20,26,30,571
Net debt	7,35,14,62,965	5,07,45,18,781	4,54,05,96,119
Equity (ii)	(89,08,26,553)	(23,43,01,748)	15,64,43,168
Net debt to equity ratio	(8.25)	(21.66)	29.02

29.2 Categories of financial instruments

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial assets			
Cash and bank balances	21,40,17,581	19,73,66,568	20,26,30,571
Other Financial assets	1,45,08,651	3,15,962	1,33,13,712
Trade Receivable	8,216	-	-
Financial liabilities			
Borrowing	7,56,54,80,546	5,27,18,85,349	4,74,32,26,690
Trade Payable	1,45,53,42,333	3,07,19,62,451	3,02,84,71,575
Others	4,71,98,957	4,19,81,103	6,29,60,568

29.3 Liquidity risk management

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.

29.3.1 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.

Particulars	March 31, 2017			March 31, 2016			April 1, 2015		
	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments
Weighted average effective interest rate (%)									
Less than 1 Year	1,50,25,41,290	1,95,04,38,825	4,38,97,19,311	3,11,39,43,554	1,03,18,22,069	57,97,80,822	3,09,14,32,143	64,85,24,938	1,31,12,37,527
1-3 Years	-	90,87,15,145	-	-	1,41,22,36,953	-	-	1,85,27,90,860	-
3 to 5 Years	-	31,46,53,027	-	-	67,51,55,250	-	-	84,96,71,875	-
More than 5 Years	-	2,44,87,30,825	-	-	2,39,75,76,990	-	-	2,14,37,60,391	-
Total	**1,50,25,41,290**	**5,62,25,37,823**	**4,38,97,19,311**	**3,11,39,43,554**	**5,51,67,91,262**	**57,97,80,822**	**3,09,14,32,143**	**5,49,47,48,064**	**1,31,12,37,527**
Carrying amount	**1,50,25,41,290**	**3,67,84,70,448**	**3,88,70,10,098**	**3,11,39,43,554**	**3,09,43,85,349**	**2,17,75,00,000**	**3,09,14,32,143**	**3,54,07,26,690**	**1,20,25,00,000**
Weighted average effective interest rate (%)	0.00%	12.45%	12.94%	0.00%	12.45%	12.94%	0.00%	12.45%	12.94%

The amounts included above for financial guarantee contracts are the maximum amounts the company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the company considers that it is more likely than not that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

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.

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 (%)						
Less than 1 Year	2,86,02,361	19,95,26,560	1,00,03,818	18,80,49,808	2,75,54,520	18,92,28,728
1-3 Years	-	-	-	-	-	-
3 to 5 Years	-	-	-	-	-	-
More than 5 Years	-	-	-	-	-	-
Total	**2,86,02,361**	**19,95,26,560**	**1,00,03,818**	**18,80,49,808**	**2,75,54,520**	**18,92,28,728**
Carrying amount	2,86,02,361	19,99,32,086	1,00,03,818	18,76,78,712	2,75,54,520	18,83,89,763
Weighted average effective interest rate (%)		0.87%		0.87%		0.87%

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

30. Commitments for expenditure

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
IL&FS Trust Company Limited Estimated amount of contracts to be executed on security trusteeship fees (excluding taxes) (upto the end of repayment of last installment of term loan)	11,25,000	16,25,000	21,25,000
IL&FS Transportation Networks Limited Estimated amount of contracts to be executed on Operation & Maintenance (Base Price Rs.64,200,000/- p.a. for base financial year 2011, escalated @5% p.a. for the period upto the end of concession period)	3,56,44,35,306	3,64,63,72,578	3,72,44,08,079
IL&FS Transportation Networks Limited Estimated amount of contracts remaining to be executed on capital account and not provided for net of capital advances of Rs. 57,89,79,659/- (Previous Year Rs. 57,94,52,411/-)	6,75,60,97,944	6,76,07,97,674	6,89,22,89,901

31 Contingent liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Demand for work contract tax for which the Company's appeal is pending with the appellate authority			
AY 2011-12	51,72,642	47,03,066	47,03,066
AY 2012-13	9,44,995	9,44,995	9,44,995
Claims against the Company not acknowledged as debts Income tax demands contested by the Company			
AY 2011-12	1,59,780	1,59,780	1,59,780
AY 2013-14	29,06,780	-	-
AY 2014-15	67,63,230	-	-

32. Related Party Disclosures

As at March 31, 2017

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

Nature of Relationship	**Name of Entity**	**Abbreviation used**
Ultimate Holding Company :	Infrastructure Leasing & Financial Services Limited	IL&FS
Holding Company :	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries :	IL&FS Financial Services Limited	IFIN
	IL&FS Rail Limited	IRL
	APPTEX Marketing	APPTEX
	Rapid Metro Gurgaon South Limited	RMGSL
	IL&FS Airport Limited	IAL
	ISSL CPG BPO Private Limited	ISCBPL
Key Management personnel :	Mr. Umesh Mathur	Manager
	Ms. Preeti Jain	Chief Financial Officer
	Ms. Anita Renuse	Company Secretary
	Mr. Harish Mathur	Director
	Mr. Dilip Bhatia	Director
	Mr. Rajnish Saxena	Director
	Ms. Varsha Sawant	Director

As at March 31, 2016

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

Nature of Relationship	**Name of Entity**	**Abbreviation used**
Ultimate Holding Company :	Infrastructure Leasing & Financial Services Limited	IL&FS
Holding Company :	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries	IL&FS Trust Company Limited	ITCL
	ISSL CPG BPO Pvt. Ltd.	ISCBPL
	IL&FS Financial Services Limited	IFIN
Key Management personnel:	Mr.Umesh Mathur	Manager
	Ms. Preeti Jain	Chief Financial Officer
	Ms. Anita Renuse	Company Secretary
	Mr. Harish Mathur	Director
	Mr. Dilip Bhatia	Director
	Mr. Rajnish Saxena	Director
	Ms. Varsha Sawant	Director
	Mr. M B Bajulge	Director

ITNL Road Infrastructure Development Company Limited
Notes forming part of the Financial Statements for the year ended March 31, 2017

Related Party Disclosures (contd.)

Year ended March 31, 2017

(b) transactions/ balances with above mentioned related parties (mentioned in note 32 above)

Particulars	IL&FS	ITNL	ISCBPL	IFIN	IRL	APPTEX	IAL	RMGSL	Anita Renuse	Mr. Harish Mathur	Mr. Dilip Bhatia	Mr. Rajnish Saxena	Ms. Varsha Sawant	Total
Balance														
Retention Money - Payable	-	6,67,07,870	-	-	-	-	-	-	-	-	-	-	-	6,67,07,870
Trade Payables	-	1,45,22,21,672	-	-	-	-	-	-	-	-	-	-	-	1,45,22,21,672
Mobilisation Advance recoverable	-	57,89,79,659	-	-	-	-	-	-	-	-	-	-	-	57,89,79,659
Long Term Unsecured Loan	-	1,18,59,00,000	-	-	-	-	-	-	-	-	-	-	-	1,18,59,00,000
Unsecured Loan - Short Term Loan	18,00,00,000	3,20,70,10,098	-	-	50,00,00,000	-	-	-	-	-	-	-	-	3,88,70,10,098
Interest Accrued on borrowings	-	25,08,50,576	-	-	2,65,069	-	4,04,861	7,78,32,330	-	-	-	-	-	32,93,52,836
Advance Receivable	-	-	-	-	-	1,24,581	-	-	-	-	-	-	-	1,24,581
Share Capital	-	1,40,00,00,000	-	-	-		-	-	-	-	-	-	-	1,40,00,00,000
Transactions									-	-	-	-	-	
Construction Cost	-	51,72,482	-	-	-	-	-	-	-	-	-	-	-	51,72,482
Operation & Maintainence Charges	-	8,19,37,272	-		-	-	-		-	-	-	-	-	8,19,37,272
Interest on Loan	3,93,20,545	34,88,14,705	-	1,13,63,835	2,94,521	2,25,00,823	4,49,846	24,61,36,988	-	-	-	-	-	66,88,81,263
Deputation Cost	-	16,66,656	-	-	-	-	-	-	-	-	-	-	-	16,66,656
Legal & Professional	-	-	18,400	-	-	-	-	-	-	-	-	-	-	18,400
Rates & taxes	-	-	3,000	-	-	-	-	-	-	-	-	-	-	3,000
Guarantee Commission	-	11,25,200	-	-	-	-	-	-	-	-	-	-	-	11,25,200
Unsecured Long term Loan Taken	-	2,00,00,000		-	-	-	-	-	-					2,00,00,000
Unsecured Short term Loan Taken	-	6,41,85,10,098	-	12,00,00,000	50,00,00,000	29,00,00,000	1,04,25,00,000	2,00,00,00,000	-	-	-	-	-	10,37,10,10,098
Unsecured Short term Loan Repaid	32,00,00,000	4,88,90,00,000	-	12,00,00,000		29,00,00,000	1,04,25,00,000	2,00,00,00,000	-	-	-	-	-	8,66,15,00,000
Salary Paid	-	-	-	-	-	-	-	-	2,10,000	-	-	-	-	2,10,000
Director Remuneration	-	-	-	-	-	-	-	-	-	40,000	50,000	30,000	40,000	1,60,000

Year ended March 31, 2016

(b) transactions/ balances with above mentioned related parties (mentioned in note 32 above)

Particulars	IL&FS	ITNL	ISCBPL	ITCL	IFIN	Anita Renuse	Mr. Harish Mathur	Mr. Dilip Bhatia	Mr. Rajnish Saxena	Mr. M B Bajulge	Ms. Varsha Sawant	Total
Balance												
Retention Money - Payable	-	6,65,78,558	-	-	-	-	-	-	-	-	-	6,65,78,558
Trade Payables	-	3,06,61,33,403	-	-	-	-	-	-	-	-	-	3,06,61,33,403
Mobilisation Advance	-	57,94,52,411	-	-	-	-	-	-	-	-	-	57,94,52,411
Long Term Unsecured Loan	-	1,16,59,00,000	-	-	-	-	-	-	-	-	-	1,16,59,00,000
Unsecured Loan - Short Term Loan	50,00,00,000	1,67,75,00,000	-	-	-	-	-	-	-	-	-	2,17,75,00,000
Interest Accrued on borrowings	-	6,67,19,472	-	-	-	-	-	-	-	-	-	6,67,19,472
Trade Payables	-	-	-	-	13,30,934	-	-	-	-	-	-	13,30,934
Transactions												
Construction Cost	-	14,47,19,248	-	-	-	-	-	-	-	-	-	14,47,19,248
Operation & Maintainence Charges	-	7,80,35,496	-	-	-	-	-	-	-	-	-	7,80,35,496
Interest on Loan	4,99,72,602	25,84,79,146	-	-	-	-	-	-	-	-	-	30,84,51,748
Interest on Loan	-	5,34,79,417	-	-	-	-	-	-	-	-	-	5,34,79,417
Deputation Cost	-	12,01,581	-	-	-	-	-	-	-	-	-	12,01,581
Deputation Cost	-	3,06,376	-	-	-	-	-	-	-	-	-	3,06,376
Guarantee Commission	-	11,01,232	-	-	-	-	-	-	-	-	-	11,01,232
Unsecured long term Loan Taken	-	20,25,00,000	-	-	-	-	-	-	-	-	-	20,25,00,000
Unsecured Short term Loan Taken	1,50,00,00,000	1,97,50,00,000	-	-	-	-	-	-	-	-	-	3,47,50,00,000
Unsecured Short term Loan Repaid	1,00,00,00,000	1,50,00,00,000	-	-	-	-	-	-	-	-	-	2,50,00,00,000
Travelling & Conveyance	-	-		-	14,78,816	-	-	-	-	-	-	14,78,816
Legal & Professional	-	-	17,175	-	-	-	-	-	-	-	-	17,175
Security Trusteeship Fees	-	-	-	5,68,633	-	-	-	-	-	-	-	5,68,633
Salary Paid	-	-	-	-	-	2,17,184	-	-	-	-	-	2,17,184
Director Remuneration	-	-	-	-	-	-	70,000	10,000	40,000	30,000	40,000	1,90,000

33. Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the Table below:-

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	6,95,500	3,47,524	10,43,024
(+) Permitted receipts	55,66,000	1,50,75,687	2,06,41,687
(-) Permitted payments		4,320	4,320
(-) Amount deposited	62,61,500	1,41,27,400	2,03,88,900
Closing cash in hand as on 30.12.2016	-	**12,91,491**	**12,91,491**

34. Two laning for 14 km was pending due to non clearance from National Board of Wild Life. During financial year ending March 31, 2015 company had received the same, after receiving clearance from Supreme court. Developer (ITNL) will construct the stretch of 14 km and the cost for the same also will be borne by Developer.

35. Initially, Company had opted for two laning. In the meeting with Ministry of Road Transport & Highways (MoRTH) of 17th February 2012, It was mutually agreed to do four laning of the project and the same was approved by Board of the Company during the financial year 2012-13. Pursuant to this, Company is constructing four lanning for the project. Construction work has been temporarily suspended due to non receipt of 100% right of way. It is expected to be resumed during financial year 2017 - 18.

36. The Company has incurred net losses of Rs. 65,65,24,805/- during the year from 1st April 2016 to 31st March 2017 and has a negative working capital as at 31st March, 2017. The Management believes that the Company will be able to operate as a going concern in the foreseeable future and meet all its obligations as they fall due for payment as the Company has already commenced the construction of four laning project which will have consequential increase in revenues and profits over the extended concession period.
Based on the above and the financial support from the promoters of the Company, the Financial Statements are prepared on a going concern basis

37. Deferred Tax
No deferred tax asset is being created as the reversal of taxes is happening not before the tax holiday period starting from March 31, 2031 and ending on March 31, 2040

38. Segment Reporting

As the Company operates in a single business as well as geographical segment, the disclosures required under the Indian Accounting Standard on "Operating Segments" (Ind AS–108) is not applicable.

39. Overlay Provisioning

The scope of work envisaged in the Concession Agreement was widening the then existing 7.0 m wide road to a two lane carriageway. The concession agreement also provides the option of capacity augmentation to four lanes, which has been exercised by the Company. Once four laning is done, the existing road will almost completely get renewed and rebuilt along with the new lanes as per the standards for four laning, rendering the existing road in its present condition almost non-existent. Hence the provision for overlay is not required until the achievement of COD of four laning.