

JORABAT SHILLONG EXPRESSWAY LIMITED

FINANCIAL STATEMENTS

2016-2017

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JORABAT SHILLONG EXPRESSWAY LIMITED**

Report on the Financial Statements

1. We have audited the accompanying financial statements of Jorabat Shillong Expressway Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including other Comprehensive Income), the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's management and Board of Directors are responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (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 specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's

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

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2017, and its loss, its cash flows and the changes in equity for the year ended on that date.

Other Matter

7. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the year ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 which were audited by us, on which we expressed an unmodified opinion vide our report dated May 6, 2016 and April 29, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the company in transition to Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in Annexure - "A" a statement on the matters specified in paragraphs 3 and 4 of the order.
9. 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 (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account
- d. in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified 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. With respect to the adequacy of the Internal Financial Controls over financial reporting of the company and the operating effectiveness of such controls, we give our separate report in "Annexure - B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would have a material impact its financial position.
 - ii. Based upon the assessment made by the company, there are no material foreseeable losses on its long term contracts that may require any provisioning
 - iii. In view of there being no amounts required to be transferred to the Investor Education and Protection Fund for the year under audit the reporting under this clause is not applicable.
 - iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 27;

**For MKPS & Associates
Chartered Accountants
FRN 302014E**


CA Narendra Khandal
Partner
M No. 065025



Mumbai, May 10, 2017


**Annexure – A to the Independent Auditors Report
Referred to in para 8 of our report of even date, to the members of Jorabat Shillong
Expressway Limited for the year ended March 31, 2017**

- i)
 - (a) The company is maintaining proper records showing full particulars of its fixed assets comprising of its rights for receipt of annuity.
 - (b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - (c) According to the information and explanations provided to us, there are no immovable properties included in the fixed assets of the company and accordingly the reporting requirements under sub clause (c) of clause (i) of paragraph 3 of the order are not applicable.
- ii) In our opinion, and according to the information and explanations given to us, the company has sub-contracted the entire construction / Operation related activities and therefore does not carry any inventories. Hence, the reporting requirements under clause (ii) of paragraph 3 of the order are not applicable.
- iii) In our opinion and according to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the reporting requirements under sub-clause (a), (b) and (c) of Clause (iii) of paragraph 3 of the order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence the reporting requirements under clause (iv) of paragraph 3 of the order are not applicable.
- v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the period under audit. Consequently, the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 of the Act and the rules framed thereunder are not applicable.
- vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company. We have broadly reviewed such records and are of the opinion that prima-facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii)
 - (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing the 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 material statutory dues, as applicable, with the appropriate authorities in India.
According to the information and explanations given to us, there are no undisputed amounts in respect of the aforesaid statutory dues which in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us, there are no applicable statutory dues which have not been deposited on account of any dispute.
- viii) Based upon the audit procedures carried out by us and on the basis of information and explanations provided by the management we are of the opinion that the company has not defaulted in repayment of dues to Debenture Holders. The company does not have any borrowings from banks / Financial Institutions or government.
- ix) In our opinion and according to the information and explanations given to us, the term loans taken by the company have been ultimately utilised for the purpose for which they were taken. Further, the company has not raised any funds by way of initial / further public offer.
- x) Based on the audit procedures performed by us for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi) According to the information and explanations given to us, the company has not paid any managerial remuneration during the year and hence the reporting requirements under clause (xi) of paragraph 3 of the order are not applicable.
- xii) The company is not a Nidhi Company and hence the reporting requirements under clause (xii) of paragraph 3 of the order are not applicable.
- xiii) According to the information and explanations given to us, all transactions entered into by the company with related parties are in compliance with section 177 and 178 of the Act where applicable and the details thereof have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.
- xv) As per the information and explanations provided to us, the company has not entered into any non-cash transactions with directors or persons connected with them.
- xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45 - IA of the Reserve Bank of India, 1934.

For MKPS & Associates
Chartered Accountants
FRN 302014E


CA Narendra Khandal
Partner
M No. 065025
Mumbai, May 10, 2017



Annexure – B to the Independent Auditors Report

Referred to in para 8 of our report of even date, to the members of Jorabat Shillong Expressway Limited for the year ended March 31, 2017

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 Jorabat Shillong Expressway Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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 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 MKPS & Associates
Chartered Accountants
FRN 302014E**


CA Narendra Khandal
Partner
M No. 065025



Mumbai, May 10, 2017

Particulars	Notes	As at		As at		As at	
		March 31, 2017		March 31, 2016		April 1, 2015	
ASSETS							
Non-current Assets							
(a) Financial assets							
Other financial assets	5A		9,16,75,79,823		12,92,77,35,848		11,26,93,00,205
(b) Tax assets							
Current Tax Asset (Net)	15		3,27,49,241		37,45,241		23,99,241
(c) Other non-current assets	7A		5,56,58,994		7,97,89,133		7,97,89,133
Total Non-current Assets			9,25,59,88,058		13,01,12,70,222		11,35,14,88,579
Current Assets							
(a) Financial assets							
(i) Cash and cash equivalents	6	2,53,29,641		1,42,55,261		2,63,66,979	
(ii) Other financial assets	5B	4,76,08,53,048	4,78,61,82,689	62,94,64,477	64,37,19,737	86,09,34,429	88,73,01,408
(b) Other current assets	7B		76,876		9,08,441		1,22,58,427
			4,78,62,59,565		64,46,28,178		89,95,59,835
Total Current Assets			4,78,62,59,565		64,46,28,178		89,95,59,835
Total Assets			14,04,22,47,623		13,65,58,98,400		12,25,10,48,414
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital	9	84,00,00,000		84,00,00,000		84,00,00,000	
(b) Other Equity	10	57,61,01,457		77,20,71,531		81,85,16,339	
Equity attributable to owners of the Company			1,41,61,01,457		1,61,20,71,531		1,65,85,16,339
Total Equity			1,41,61,01,457		1,61,20,71,531		1,65,85,16,339
LIABILITIES							
Non-current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	11	6,49,90,04,949		6,90,11,58,709		7,30,10,64,535	
(ii) Other financial liabilities	12A	40,67,66,412	6,90,57,71,361	39,28,91,065	7,29,40,49,774	39,28,91,065	7,69,39,55,600
Total Non-current Liabilities			6,90,57,71,361		7,29,40,49,774		7,69,39,55,600
Current liabilities							
(a) Financial liabilities							
(i) Borrowings	14	4,96,75,67,397		2,59,50,00,000		1,20,72,00,000	
(ii) Other financial liabilities	12B	73,35,93,004	5,70,11,60,401	2,14,87,01,684	4,74,37,01,684	1,68,56,81,890	2,89,28,81,890
(b) Other current liabilities	13		1,92,14,405		60,75,412		56,94,585
			5,72,03,74,806		4,74,97,77,096		2,89,85,76,475
Total Current Liabilities			5,72,03,74,806		4,74,97,77,096		2,89,85,76,475
Total Liabilities			12,62,61,46,166		12,04,38,26,869		10,59,25,32,075
Total Equity and Liabilities			14,04,22,47,623		13,65,58,98,400		12,25,10,48,414

Notes 1 to 29 forms part of the financial statements

In terms of our report attached
For MKPS & Associates
Chartered Accountants
Firm Registration Number - 302014E


Narendra Khandal
Partner
Membership Number - 065025



Place : Mumbai
Date : May 10, 2017

For and on behalf of the Board


Director
Vijay Kini
DIN: 06612768


Director
Subhash Sachdeva
DIN: 00051945


Chief Finance Officer
Makarand Sahasrabudhe


Company Secretary
Nisha Shetty

Place : Mumbai
Date : May 10, 2017

JORABAT SHILLONG EXPRESSWAY LIMITED
CIN : U45203MH2010PLC204456
Statement of Profit and loss for the year ended March 31, 2017

Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from Operations	16	98,88,50,160	1,13,95,37,514
Other income	17	83,25,82,386	97,53,00,000
Total Income		1,82,14,32,547	2,11,48,37,514
Expenses			
Construction Costs	18	27,91,74,714	32,09,00,209
Operating expenses of SCA	19	9,21,98,580	1,90,09,271
Employee benefits expense	20	1,98,000	1,68,387
Finance costs	21	1,41,66,57,837	1,81,63,47,812
Other expenses	22	22,91,73,490	48,56,643
Total expenses		2,01,74,02,621	2,16,12,82,321
Profit / (Loss) before tax		(19,59,70,074)	(4,64,44,808)
Less: Tax expense		-	-
(1) Current tax		-	-
(2) Deferred tax		-	-
Profit / (Loss) for the year		(19,59,70,074)	(4,64,44,808)
Other Comprehensive Income			
Profit for the year attributable to:			
- Owners of the Company		(19,59,70,074)	(4,64,44,808)
- Non-controlling interests		-	-
		(19,59,70,074)	(4,64,44,808)
Earnings per equity share	23		
(1) Basic (in Rs.)		(2.33)	(0.55)
(2) Diluted (in Rs.)		(2.33)	(0.55)

Notes 1 to 29 forms part of the financial statements

In terms of our report attached.

For MKPS & Associates

Chartered Accountants

Firm Registration Number - 302014E



Narendra Khandal

Partner

Membership Number - 065025



Place : Mumbai

Date : May 10, 2017

For and on behalf of the Board



Director

Vijay Kini

DIN: 06612768




Director

Subhash Sachdeva

DIN: 00051945



Chief Finance Officer
Makarand Sahasrabudhe



Company Secretary
Nisha Shetty

Place : Mumbai

Date : May 10, 2017

JORABAT SHILLONG EXPRESSWAY LIMITED

CIN : U45203MH2010PLC204456

Statement of cash flows for the year ended March 31, 2017

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Cash flows from operating activities		
Profit for the year	(19,59,70,074)	(4,64,44,808)
Adjustments for:		
Construction Income	(29,43,15,482)	(34,42,60,770)
Finance Income	(59,73,35,799)	(77,94,86,659)
O&M Income	(9,71,98,880)	(1,57,90,085)
Construction Cost	27,91,74,714	32,09,00,209
O&M Cost	9,21,98,580	1,46,34,696
Interest Expenses	1,40,43,99,908	85,80,63,941
Interest on Claim	(37,28,62,685)	-
Expected Credit Loss	(26,46,59,702)	68,50,79,880
Claim Receivable from Authority	(19,50,60,000)	(97,53,00,000)
	(24,16,29,419)	(28,26,03,595)
Movements in working capital:		
(Increase) / Decrease in trade receivables		
Increase in other assets & loans and advances (current and non current)	(12,41,06,693)	(1,96,41,36,488)
Increase / Decrease in liabilities (current and non current)	1,31,38,993	3,80,827
Increase/(Decrease) in trade and other payables	(1,44,45,96,651)	9,69,89,070
Increase/(Decrease) in other liabilities		
	(1,55,55,64,351)	(1,86,67,66,591)
Cash generated from operations	(1,79,71,93,770)	(2,14,93,70,186)
Income taxes (paid)/ Refund received	(2,90,04,000)	(13,46,000)
Net cash generated by operating activities	(1,82,61,97,770)	(2,15,07,16,186)
Cash flows from investing activities		
Payments to acquire financial assets	1,24,01,41,343	1,65,53,45,095
Repayments by related parties		
Movement in other bank balances	-	-
Net cash inflow on disposal of associate		
Net cash (used in)/generated by investing activities	1,24,01,41,343	1,65,53,45,095
Cash flows from financing activities		
Proceeds from long term borrowings	-	18,92,590
Repayment of long term borrowings	(41,44,00,000)	-
Proceeds from short term borrowings	2,37,25,67,397	1,38,78,00,000
Repayment of short term borrowings		
Interest paid (Finance cost paid)	(1,36,10,36,590)	(90,64,33,217)
Net (used in)/ generated in financing activities	59,71,30,807	48,32,59,373
Net increase/ (decrease) in cash and cash equivalents	1,10,74,380	(1,21,11,718)
Cash and cash equivalents at the beginning of the year	1,42,55,261	2,63,66,979
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		
Cash and cash equivalents at the end of the year	2,53,29,641	1,42,55,261

Notes 1 to 29 forms part of the financial statements

In terms of our report attached.

For MKPS & Associates

Chartered Accountants

Firm Registration Number - 302014E



Narendra Khandal
Narendra Khandal
Partner
Membership Number - 065025

For and on behalf of the Board

Vijay Kini
Director

Vijay Kini
DIN: 06612768

Subhash Sachdeva
Director

Subhash Sachdeva
DIN: 00051945

Makarand Sahasrabudhe
Chief Finance Officer
Makarand Sahasrabudhe

Nisha Shetty
Company Secretary
Nisha Shetty

Place : Mumbai
Date : May 10, 2017

Place : Mumbai
Date : May 10, 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 GAAP)			Control total	As at April 1, 2015 (Date of transition)			Control Total
	Previous GAAP (IGAAP)	Effect of transition to Ind AS	As per Ind AS balance sheet		Previous GAAP (IGAAP)	Effect of transition to Ind AS	As per Ind AS balance sheet	
	Non-current assets							
(a) Capital work-in-progress	9,56,29,87,373	(9,56,29,87,373)	-	-	11,38,66,24,379	(11,38,66,24,379)	-	
(e) Financial assets								
(i) Other financial assets	3,22,11,61,220	9,70,65,74,628	12,92,77,35,848	-	1,000	11,26,92,99,205	11,26,93,00,205	
(f) Tax assets								
(i) Current Tax Asset (Net)	37,45,241	-	37,45,241	-	23,99,241	-	23,99,241	
(g) Other non-current assets	7,97,89,133	-	7,97,89,133	-	7,97,89,133	-	7,97,89,133	
Total non-current assets	12,86,76,82,967	14,35,87,255	13,01,12,70,222	-	11,46,88,13,753	(11,73,25,174)	11,35,14,88,579	
Current assets								
(a) Financial assets								
(i) Cash and cash equivalents	1,42,55,261	(1)	1,42,55,261	-	2,63,66,979	(0)	2,63,66,979	
(ii) Other financial assets	68,00,000	62,26,64,477	62,94,64,477	-	95,91,943	85,13,42,486	86,09,34,429	
(b) Other current assets	9,08,441	(0)	9,08,441	-	1,22,58,427	(1)	1,22,58,427	
	2,19,63,702	62,26,64,476	64,46,28,178	-	4,82,17,349	85,13,42,486	89,95,59,835	
Total current assets	2,19,63,702	62,26,64,476	64,46,28,178	-	4,82,17,349	85,13,42,486	89,95,59,835	
Total Assets	12,88,96,46,669	76,62,51,731	13,65,58,98,400	-	11,51,70,31,102	73,40,17,312	12,25,10,48,414	
Equity								
(a) Equity share capital	84,00,00,000	-	84,00,00,000	-	84,00,00,000	-	84,00,00,000	
(b) Other Equity	(7,86,21,492)	85,06,93,023	77,20,71,531	-	(1,25,43,848)	83,10,60,187	81,85,16,339	
Equity attributable to owners of the Company	76,13,78,508	85,06,93,023	1,61,20,71,531	-	82,74,56,152	83,10,60,187	1,65,85,16,339	
Total equity	76,13,78,508	85,06,93,023	1,61,20,71,531	-	82,74,56,152	83,10,60,187	1,65,85,16,339	
Non-current liabilities								
Financial liabilities								
(i) Borrowings	6,98,56,00,000	(8,44,41,291)	6,90,11,58,709	-	7,39,81,07,410	(9,70,42,875)	7,30,10,64,535	
(ii) Other financial liabilities	39,28,91,065	-	39,28,91,065	-	39,28,91,065	-	39,28,91,065	
Total non-current liabilities	7,37,84,91,065	(8,44,41,291)	7,29,40,49,774	-	7,79,09,98,475	(9,70,42,875)	7,69,39,55,600	
Current liabilities								
Financial liabilities								
(i) Borrowings	2,59,50,00,000	-	2,59,50,00,000	-	1,20,72,00,000	-	1,20,72,00,000	
(iii) Other financial liabilities	2,14,87,01,684	(0)	2,14,87,01,684	-	1,68,56,81,890	-	1,68,56,81,890	
Other current liabilities	60,75,412	-	60,75,412	-	56,94,585	-	56,94,585	
	4,74,97,77,096	(0)	4,74,97,77,096	-	2,89,85,76,475	-	2,89,85,76,475	
Total current liabilities	4,74,97,77,096	(0)	4,74,97,77,096	-	2,89,85,76,475	-	2,89,85,76,475	
Total liabilities	12,12,82,68,161	(8,44,41,292)	12,04,38,26,869	-	10,68,95,74,950	(9,70,42,875)	10,59,25,32,075	
Total equity and liabilities	12,88,96,46,669	76,62,51,731	13,65,58,98,400	-	11,51,70,31,102	73,40,17,312	12,25,10,48,414	

Reconciliation of total equity as at March 31, 2016 and March 31, 2015

	As at March 31, 2016 (End of last period presented under previous GAAP)	As at April 1, 2015 (End of last period presented under previous GAAP)
Total equity / shareholders' funds under previous GAAP	76,13,78,508	82,74,56,152
Adjustments:		
EIR Adjustment	8,44,41,291	9,70,42,875
Revenue recognised as per Ind AS	76,62,51,732	73,40,17,312
Total adjustment to equity	85,06,93,023	83,10,60,187
Total equity under Ind AS	1,61,20,71,531	1,65,85,16,339
Control Total	-	-



Ind AS 101 reconciliations

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

	Year ended March 31, 2016 (Latest period presented under previous GAAP)			Control Total
	Previous GAAP (IGAAP)	Effect of transition to Ind AS	Ind AS	
Revenue from Operations	25,49,80,220	88,45,57,294	1,13,95,37,514	-
Other income	-	97,53,00,000	97,53,00,000	-
Total Income	25,49,80,220	1,85,98,57,294	2,11,48,37,514	-
Expenses				
Construction costs	-	32,09,00,209	32,09,00,209	-
Operating expenses of SCA	1,90,09,271	(0)	1,90,09,271	-
Employee benefits expense	1,68,387	-	1,68,387	-
Finance costs	19,92,44,586	1,61,71,03,226	1,81,63,47,812	-
Depreciation and amortisation expense	9,77,78,977	(9,77,78,977)	-	-
Other expenses	48,56,643	(0)	48,56,643	-
Total expenses	32,10,87,864	1,84,02,24,457	2,16,12,82,321	-
Profit before tax	(6,60,77,644)	1,96,32,836	(4,64,44,808)	-
Less: Tax expense				
(1) Current tax	-	-	-	-
(2) Deferred tax	-	-	-	-
Profit for the year	(6,60,77,644)	1,96,32,836	(4,64,44,808)	-
Other Comprehensive Income				
Profit for the year attributable to: - Owners of the Company	(6,60,77,644)	1,96,32,836	(4,64,44,808)	-

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

Particulars	Year ended March 31, 2016 (Latest period presented under previous GAAP)
	Profit as per previous GAAP (SCA)
Adjustments:	
Construction Margin	2,33,60,561
O&M Income	1,57,90,085
Finance income	77,94,86,659
Other Income	97,53,00,000
Annully Income	(25,49,80,220)
Other borrowing cost	(1,61,71,03,228)
Amortisation reversed	9,77,78,977
Total adjustments	1,96,32,836
Total comprehensive income under Ind AS	(4,64,44,808)
Control Total	(0)

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

	Year ended March 31, 2016 (Latest period presented under previous GAAP)			Control Total
	Previous GAAP (IGAAP)	Effect of transition to Ind AS	Ind AS	
Net cash flows from operating activities	(2,97,70,51,318)	82,63,35,132	(2,15,07,16,186)	-
Net cash flows from investing activities	1,82,28,47,099	(16,75,02,004)	1,65,53,45,095	-
Net cash flows from financing activities	1,14,20,92,501	(65,88,33,128)	48,32,59,373	-
Net increase (decrease) in cash and cash equivalents	(1,21,11,718)	0	(1,21,11,718)	-
Cash and cash equivalents at the beginning of the period	2,63,66,979	-	2,63,66,979	-
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	-	-	-
Cash and cash equivalents at the end of the period	1,42,55,261	0	1,42,55,261	-

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

	As at March 31, 2016 (End of last period presented under previous GAAP)	As at April 1, 2015 (End of last period presented under previous GAAP)
	Cash and cash equivalents for the purpose of statement of cash flows as per previous GAAP	1,42,55,261
Bank overdrafts which form an integral part of cash management system	-	-
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS	1,42,55,261	-
Control Total	(1,10,74,380)	(1,42,55,261)



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

a. 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	84,00,00,000	84,00,00,000
Changes in equity share capital during the year - Share capital issued	-	-
Balance as at end of the year	84,00,00,000	84,00,00,000

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

b. Other equity	Retained earnings
Balance as at April 1, 2016	77,20,71,531
Profit for the year	(19,59,70,074)
Balance as at March 31, 2017	57,61,01,457

Statement of changes in equity for the year ended March 31, 2016

b. Other equity	Retained earnings
Balance as at April 1, 2015	81,85,16,339
Profit for the year	(4,64,44,808)
Balance as at March 31, 2016	77,20,71,531



Jorabat Shillong Expressway Limited
General Information & Significant Accounting Policies

1. General information

The Jorabat Shillong Project ("JSP") is a concession arrangement granted by the "NHAI" for a period of 20 years including construction period of three years from appointed date to Jorabat Shillong Expressway Limited ("JSEL"). Besides construction, JSEL's obligations include routine maintenance and period maintenance of the flexible pavement and the rigid pavement at predefined intervals. In consideration JSEL is entitled to a defined annuity. At the end of the concession period JSEL is required to be handed over in a stipulated condition to the grantor. The concession arrangement does not provide for renewal options

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.



Note No. 3

3.1 Accounting for rights under service concession arrangements and revenue recognition

i. 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 2.9.iii.

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 amount of the arrangement consideration for the provision of public services is substantially fixed by a contract, the Company recognizes revenues from construction services for public facilities (infrastructures) by the percentage-of-completion method, and recognizes the consideration as a financial asset and the same is classified as "Receivables against Service Concession Arrangements". The Company accounts for such financial assets at amortized cost, calculates interest income based on the effective interest method and recognizes it in revenue as Finance Income.

When the concession arrangement has a contractual right to receive cash from the grantor specifically towards the concession arrangement and also the right to charge users for the public services, these are considered as two separate assets (components) – financial asset component based on the guaranteed amount and an intangible asset for the remainder.

ii. 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. In case of concession arrangements under intangible asset model, 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. In case of concession arrangements under financial asset model, such costs are recognised in the period in which such costs are actually incurred.



iii. **Revenue recognition**

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

Finance income for concession arrangements under financial asset model is recognized using the effective interest method. Revenues from operations and maintenance services and overlay services are recognized in each period as and when services are rendered in accordance with Ind AS 18 Revenue.

iv. **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 recognising 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.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

v. **Borrowing cost related to SCAs**

In case of concession arrangement under financial asset model, borrowing costs attributable to construction of the infrastructure are charged to Statement of Profit and Loss in the period in which such costs are incurred.

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 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 financial 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



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 or 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 they are incurred.

3.3 Employee benefits

3.3.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. The company has no obligation, other than the contribution payable to the provident fund, superannuation fund

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service costs are recognised in profit or loss on the earlier of:

- ▶ The date of the plan amendment or curtailment, and
- ▶ The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the



form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

3.3.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

3.4 Taxation

3.4.1 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.

The provision for tax is taken for each consolidating entity on the basis of the standalone financial statements prepared under Ind AS by that entity and aggregated for the purpose of the consolidated financial statements.

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.

3.4.2 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.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the



temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

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

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

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

3.5 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.

3.6 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 [Consolidated] 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.

3.7 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.

3.8 Provisions

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

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

3.9 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.



3.10 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.

3.10.1 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.

3.10.2 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.

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

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



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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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.



2.22.6 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.

3.10.5 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.

3.10.6 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.

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

3.11.1 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.

3.11.2 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.

3.11.3 Financial liabilities

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



3.11.3.1 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.

3.11.3.2 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.

3.11.3.3 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.

3.12 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.



3.12.1 Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

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 company 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 company 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.

4.7 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.



JORABAT SHILLONG EXPRESSWAY LIMITED

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

5. Other financial assets
5A. Other financial assets - Non current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Receivable under service concession arrangements	9,16,75,78,823	10,64,66,34,729	11,26,92,99,205
Others			
- Security Deposits			
- Unsecured considered good	1,000	1,000	1,000
- Claim Receivable from NHAI	-	2,28,11,00,120	-
Total	9,16,75,79,823	12,92,77,35,848	11,26,93,00,205

5B. Other financial assets - Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Receivable under service concession arrangements	1,47,90,55,905	62,26,64,477	85,13,42,486
Others			
- Claim Receivable from NHAI	3,27,49,97,143	-	-
- Advances recoverable	68,00,000	68,00,000	95,91,943
Total	4,76,08,53,048	62,94,64,477	86,09,34,429

Footnote:

As per the Concession Agreement the concession period was for a period of 20 years from the appointed date i.e. 12th January 2011 during which period the company would be eligible for a maximum of 34 annuities commencing from COD. There has been delay in achieving the COD for reasons attributable to the authority and hence the company is of the view that it is eligible for all 34 annuities. Further, the company has also preferred claims with NHAI. Considering these facts, the carrying amount of its assets is not less than its recoverable value.

6. Cash and cash equivalents

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with Banks	2,53,27,918	1,42,54,636	2,63,65,482
Cash on hand	1,723	625	1,497
Cash and cash equivalents	2,53,29,641	1,42,55,261	2,63,66,979

7. Other assets
7A. Other assets - Non Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital Advances	5,56,58,994	7,97,89,133	7,97,89,133
Total	5,56,58,994	7,97,89,133	7,97,89,133

7B. Other assets - Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Others -			
-Prepaid expenses	76,876	9,08,441	1,22,58,427
Total	76,876	9,08,441	1,22,58,427

8. 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	10,63,17,85,761	10,33,74,70,280	9,99,32,09,510
Contract revenue recognised as revenue during the period	29,43,15,482	34,42,60,770	3,11,86,82,001



JORABAT SHILLONG EXPRESSWAY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2017

9. Equity Share Capital

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equity share capital	84,00,00,000	84,00,00,000	84,00,00,000
Total	84,00,00,000	84,00,00,000	84,00,00,000

Authorised Share capital :			
84,000,000 equity shares of Rs. 10 each	84,00,00,000	84,00,00,000	84,00,00,000
Issued and subscribed capital comprises:			
84,000,000 fully paid equity shares of Rs. 10 each (as at March 31, 2016: 84,000,000; as at April 1, 2015: 84,000,000)	84,00,00,000	84,00,00,000	84,00,00,000
	84,00,00,000	84,00,00,000	84,00,00,000

9.1 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	8,40,00,000	84,00,00,000	8,40,00,000	84,00,00,000	8,40,00,000	84,00,00,000
Movements	-	-	-	-	-	-
Balance at the end of the period	8,40,00,000	84,00,00,000	8,40,00,000	84,00,00,000	8,40,00,000	84,00,00,000

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

9.2 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						
IL&FS Transportation Networks Limited	4,20,00,000	50%	4,20,00,000	50%	4,20,00,000	50%
Ramky Infrastructure Limited	4,20,00,000	50%	4,20,00,000	50%	4,20,00,000	50%
Total	8,40,00,000	100%	8,40,00,000	100%	8,40,00,000	100%

10. Other Equity

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	For April 1, 2015
Retained earnings			
Balance at beginning of period	77,20,71,531	81,85,16,339	-
Profit / (Loss) attributable to owners of the Company	(19,59,70,074)	(4,64,44,808)	81,85,16,339
Total	57,61,01,457	77,20,71,531	81,85,16,339



11. Non-current Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured – at amortised cost			
Term loans			
- from banks	6,57,12,00,000	6,98,56,00,000	7,39,81,07,410
Unamortised borrowing cost	(7,21,95,051)	(8,44,41,291)	(9,70,42,875)
Total Non-current borrowings	6,49,90,04,949	6,90,11,58,709	7,30,10,64,535

11.1 Summary of borrowing arrangements - Secured, Non-current Borrowing and Current Borrowing

a) The Facility together with Interest, Default Interest / any other liquidated damages if any, fees, costs, charges, expenses and other monies whatsoever stipulated and due to the Secured Parties shall be secured by a first pari-passu charge, in favour of Security Trustee by:

(i) First charge on all the accounts of the Borrower, including the Escrow Account, subject however to the condition that such charge on the accounts shall arise only after proceeds of such accounts if any have been received into the Escrow Account designated for the Project and thereafter shall only be to the extent of the waterfall of priorities for payments/withdrawal of payments as provided in the Escrow Agreement and not beyond that;

(ii) Assignment of all the rights, interest and obligations of the Borrower to or in favour of Senior Lenders under Project Agreements, to the extent covered by and in accordance with the Substitution Agreement, all as amended, varied or supplemented from time to time; and

(iii) Assignment of all rights of the Borrower under any guarantees that may be provided by any counter-party under any contract / agreement / document relating to the Project to the extent permissible under the Concession Agreement.

b) The Senior Lenders shall to the extent permitted under the Concession Agreement, share the security on a pari-passu basis amongst themselves. Senior Lenders shall cede a second charge in favour of the Subordinate Lenders, to the extent permitted under the Concession Agreement entered with NHAI.

11.2. 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
	₹	₹	₹
Less than 1 year	41,44,00,000	41,44,00,000	-
1-3 years	1,64,28,00,000	91,76,00,000	1,33,16,59,334
3-5 years	1,27,28,00,000	1,13,96,00,000	1,13,93,08,541
5 years and above	3,65,56,00,000	4,92,84,00,000	4,92,71,39,535
Total	6,98,56,00,000	7,40,00,00,000	7,39,81,07,410
Frequency of Repayment :	Quarterly till repayment of entire loan	Quarterly till repayment of entire loan	Quarterly till repayment of entire loan



JORABAT SHILLONG EXPRESSWAY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2017

JORABAT SHILLONG EXPRESSWAY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2017

12. Other financial liabilities

12A. Other financial liabilities - Non Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Others :- -Payable on account of Capital Expenditure	40,67,66,412	39,28,91,065	39,28,91,065
Total	40,67,66,412	39,28,91,065	39,28,91,065

12B. 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 - Secured	41,44,00,000	41,44,00,000	-
(b) Interest accrued			
- from related parties	4,43,76,386	14,92,520	4,98,61,796
- from Other	4,79,452		
(c) Others			
-Payable on account of Capital Expenditure related party	26,86,01,814	1,72,59,41,534	1,63,23,25,114
-Other parties	57,35,352	68,67,630	34,94,980
Total	73,35,93,004	2,14,87,01,684	1,68,56,81,890

13. Other current liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Others -Statutory dues	1,92,14,405	60,75,412	56,94,585
Total	1,92,14,405	60,75,412	56,94,585

14. Current Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured - at amortised cost			
(a) Loans from related parties	2,96,75,67,397	2,59,50,00,000	1,20,72,00,000
(b) Loans from banks	2,00,00,00,000	-	-
Total	4,96,75,67,397	2,59,50,00,000	1,20,72,00,000

Amounts repayable to related parties of the Company. Interest of 13.30% - 13.25% per annum is charged on the outstanding loan balances (as at March 31, 2016: 13.30% per annum; as at April 1, 2015: 13.25% per annum).

15. 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 (Net of provisions)	3,27,49,241	37,45,241	23,99,241
	3,27,49,241	37,45,241	23,99,241
Current Tax Assets (current portion)	-	-	-
Current Tax Assets (non-current portion)	3,27,49,241	37,45,241	23,99,241



JORABAT SHILLONG EXPRESSWAY LIMITED

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

16. Revenue from operations

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Construction Revenue	29,43,15,482	34,42,60,770
(b) Operation and maintenance income	9,71,98,880	1,57,90,085
(c) Finance income	59,73,35,799	77,94,86,659
Total	98,88,50,160	1,13,95,37,514

17. Other Income

a) Interest Income

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest on Cliam Receivable	37,28,62,685	-
Total (a)	37,28,62,685	-

b) Other Non-Operating Income (Net of expenses directly attributable to such income)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Others		
- Expected Credit Loss	26,46,59,702	-
- Claim Receivable from Authority	19,50,60,000	97,53,00,000
Total (b)	45,97,19,702	97,53,00,000
Total (a+b)	83,25,82,386	97,53,00,000

18. Cost of material consumed & Construction Cost

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Construction Contract cost	27,91,74,714	32,09,00,209
Total	27,91,74,714	32,09,00,209

19. Operating Expenses of SCA

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Operating Expenses of SCA		
Fees for technical services / design and drawings	-	43,74,575
Operation and maintenance expenses	9,21,98,580	1,46,34,696
Total	9,21,98,580	1,90,09,271



20. Employee benefits expense

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and Wages	1,98,000	1,68,387
Total	1,98,000	1,68,387

21. Finance costs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Interest costs :-		
Interest on bank overdrafts and loans (other than those from related parties)	1,40,43,99,908	85,80,63,941
Interest on loans from related parties	-	26,02,08,304
Total (a)	1,40,43,99,908	1,11,82,72,245
(b) Other borrowing costs		
- Finance Charges	1,22,57,929	1,29,95,686
(c) Other Finance Cost	-	68,50,79,880
Total (a+b+c)	1,41,66,57,837	1,81,63,47,812

22. Other expenses

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Travelling and conveyance	2,98,949	2,50,742
Legal and consultation fees	22,34,55,594	10,64,073
Rates and taxes	39,023	1,27,869
Insurance	39,04,861	17,47,629
Directors Fees	4,01,900	3,98,038
Auditors remuneration	10,64,410	11,77,192
Miscellaneous expenses	8,753	91,100
Total	22,91,73,490	48,56,643

Auditors remuneration

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a) For audit (incl. of service tax)	3,07,375	3,16,784
b) Tax audit fees (excl. service tax)	1,25,000	1,43,750
c) For other services (incl. of service tax)	6,11,515	7,16,658
d) For reimbursement of expenses (incl. of service tax)	20,520	-
Total	10,64,410	11,77,192



JORABAT SHILLONG EXPRESSWAY LIMITED

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

23. Earnings per share

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
From Continuing operations	Rs. per share	Rs. per share
Basic earnings per share	(2.33)	(0.55)
Diluted earnings per share	(2.33)	(0.55)

23.1 Basic Earnings per share

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit for the period attributable to owners of the Company (A)	(19,59,70,074)	(4,64,44,808)
Weighted average number of equity shares for the purposes of basic earnings per share (B)	8,40,00,000	8,40,00,000
Basic Earnings per share (A/B)	(2.33)	(0.55)

23.2 Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are as follows.

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Earnings used in the calculation of basic earnings per share	(19,59,70,074)	(4,64,44,808)
Adjustments (describe)		
Earnings used in the calculation of diluted earnings per share (A)	(19,59,70,074)	(4,64,44,808)
Weighted average number of equity shares used in the calculation of basic earnings per share	8,40,00,000	8,40,00,000
Adjustments [describe]		
Weighted average number of equity shares used in the calculation of diluted earnings per share (B)	8,40,00,000	8,40,00,000
Diluted earnings per share (A/B)	(2.33)	(0.55)



24. Financial Instruments

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

24.1.1 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, 2016
Debt (₹)	11,46,65,72,346	9,49,61,58,709	8,50,82,64,535
Cash and bank balances (including cash and bank balances in a disposal company held for sale)	2,53,29,641	1,42,55,261	2,63,66,979
Net debt	11,44,12,42,705	9,48,19,03,448	8,48,18,97,556
Equity (₹)	1,41,61,01,457	1,61,20,71,531	1,65,85,16,339
Net debt to equity ratio	8.08	5.88	5.11

24.2 Categories of financial Instruments

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2016
Financial assets			
Cash and bank balances (including cash and bank balances in a disposal company held for sale)	2,53,29,641	1,42,55,261	2,63,66,979
Receivable Under Service Concession Arrangement	10,64,66,34,729	11,26,92,99,205	12,12,06,41,692
Others	3,28,17,98,143	2,28,79,01,120	95,92,943
Total	13,95,37,62,512	13,67,14,55,586	12,15,66,01,614
Financial liabilities			
Borrowings	11,46,65,72,346	9,49,61,58,709	8,50,82,64,535
Other financial liabilities	1,14,03,59,416	2,54,15,92,749	2,07,85,72,955
Total	12,60,69,31,761	12,03,77,51,457	10,58,68,37,490

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

24.3.1 Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's loss for the year ended March 31, 2017 would increase/decrease by Re.30,794,413 (2016 and 2015: March 31, 2016 increase/decrease by Re.36,716,110/- and March 31, 2015 Rs.36,986,552/-).

24.4 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the company uses other publicly available financial information and its own trading records to rate its major customers. The company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

24.5 Liquidity risk management

24.5.1 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			March 31, 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
Less than 1 year	1,14,03,59,416	1,19,78,79,320	5,35,88,24,508	2,54,15,92,749	1,24,54,14,360	2,07,90,54,726	2,07,85,72,955	84,33,84,245	1,31,20,59,847
1-3 years		2,45,54,17,990			2,43,32,03,820			2,44,26,60,950	
3-5 years		3,47,54,73,900			3,59,42,15,290			3,65,42,42,819	
5+ years		4,78,54,06,040			5,88,67,58,150			7,05,92,94,221	
Total	1,14,03,59,416	11,91,41,77,250	5,35,88,24,508	2,54,15,92,749	13,15,95,91,610	2,07,90,54,726	2,07,85,72,955	13,99,95,82,234	1,31,20,59,847
Carrying amount	1,14,03,59,416	6,49,90,04,949	4,96,75,67,397	2,54,15,92,749	6,90,11,58,709	2,59,60,00,000	2,07,85,72,955	7,30,10,64,535	1,20,72,00,000

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.



JORABAT SHILLONG EXPRESSWAY LIMITED

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

25. Commitments for expenditure

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
IL&FS Transportation Networks Limited Estimated amount of contracts to be executed from schedule project completion date, on Operation & Maintenance (Base price Rs. 68,800,000/- for base year 2011, escalated @ 5% p.a. upto the end of concession period) and not provided for	2,18,14,85,572	2,27,36,84,152	2,28,83,18,848
IL&FS Transportation Networks Limited Estimated amount of contracts to be executed on capital account and not provided for (net of capital advances of Rs. 7,97,89,133 /- [Previous year ended March 31, 2014 Rs. 30,76,34,813/-])	2,04,28,36,745	81,62,13,552	81,62,13,552
Total	4,22,43,22,317	3,08,98,97,704	3,10,45,32,400

26. Approval of financial statements

The financial statements were approved for issue by the board of directors on May 10, 2017

27. 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	3,000	227	3,227
(+) Permitted receipts	-	8,000	8,000
(-) Permitted payments	3,000	5,504	8,504
(-) Amount	-	-	-
Closing cash in hand as on 30.12.2016	-	2,723	2,723

28. Segment Information

As the Company operates in a single business as well as geographical segment, the disclosures required under the Accounting Standard on "Segment Reporting" (AS - 17) notified under the Companies Accounting Standards Rules, 2006 are not applicable.



JORABAT SHILLONG EXPRESSWAY LIMITED

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

29. 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
Jointly Controlled Entities - Direct	IL&FS Transportation Networks Limited Ramky Infrastructure Limited	ITNL RIL
Key Management Personnel ("KMP")	Mr. Aalok Anandmani Mr. Makarand Sahasrabudhe	Manager CFO

As at March 31, 2016

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

Nature of Relationship	Name of Entity	Abbreviation used
Jointly Controlled Entities - Direct	IL&FS Transportation Networks Limited Ramky Infrastructure Limited	ITNL RIL
Key Management Personnel ("KMP")	Mr. Aalok Anandmani Mr. Makarand Sahasrabudhe	Manager CFO

As at March 31, 2015

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

Nature of Relationship	Name of Entity	Abbreviation used
Jointly Controlled Entities - Direct	IL&FS Transportation Networks Limited Ramky Infrastructure Limited	ITNL RIL
Key Management Personnel ("KMP")	Mr. Aalok Anandmani Mr. Makarand Sahasrabudhe	Manager CFO



JORABAT SHILLONG EXPRESSWAY 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 29 above)

Particulars	Company's Name	Ultimate Holding Company	Fellow Subsidiaries	Joint Arrangements	KMPs	Total
Balance						
Creditors payable	ITNL	-	-	26,86,01,814	-	26,86,01,814
Mobilisation advance	ITNL	-	-	5,56,58,994	-	5,56,58,994
Share Capital	ITNL	-	-	42,00,00,000	-	42,00,00,000
Retention Money payable	ITNL	-	-	40,67,66,412	-	40,67,66,412
Interest Payable on STL	ITNL	-	-	3,49,15,603	-	3,49,15,603
Short Term Loan	ITNL	-	-	2,16,05,67,397	-	2,16,05,67,397
Short Term Loan	LIVIA	-	80,00,00,000	-	-	80,00,00,000
Interest on STL	LIVIA	-	97,84,110	-	-	97,84,110
Short Term Loan	ICDIL	-	70,00,000	-	-	70,00,000
Interest on STL	ICDIL	-	3,23,327	-	-	3,23,327

Transactions						
Short Term Loan Taken	ITNL	-	-	6,43,37,46,794	-	6,43,37,46,794
Short Term Loan Repaid	ITNL	-	-	4,86,81,79,397	-	4,86,81,79,397
Interest on Short Term loan	ITNL	-	-	8,93,07,134	-	8,93,07,134
Operation & Maintenance Cost	ITNL	-	-	9,21,98,580	-	9,21,98,580
Road Development cost charge	ITNL	-	-	27,75,06,946	-	27,75,06,946
Interest on Short Term loan	LIVIA	-	6,69,80,822	-	-	6,69,80,822
Interest on Short Term loan	RMGL	-	29,51,89,040	-	-	29,51,89,040
Short Term Loan Repaid	RMGL	-	1,85,00,00,000	-	-	1,85,00,00,000
Interest on Short Term loan	IL&FS	49,31,507	-	-	-	49,31,507
Short Term Loan Repaid	IL&FS	15,00,00,000	-	-	-	15,00,00,000
Interest on Short Term loan	ICDIL	-	12,30,74,630	-	-	12,30,74,630
Short Term Loan Repaid	ICDIL	-	2,04,00,00,000	-	-	2,04,00,00,000

Year ended March 31, 2016

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

Particulars	Company's Name	Ultimate Holding Company	Fellow Subsidiaries	Joint Arrangements	Key Management personnel and relatives	Total
Balance						
Creditors payable	ITNL	-	-	1,72,59,41,534	-	1,72,59,41,534
Mobilisation advance	ITNL	-	-	7,97,89,133	-	7,97,89,133
Share Capital	ITNL	-	-	42,00,00,000	-	42,00,00,000
Retention Money payable	ITNL	-	-	39,28,91,065	-	39,28,91,065
Interest Payable on STL	ITNL	-	-	32,794	-	32,794
Short Term Loan	ITNL	-	-	59,50,00,000	-	59,50,00,000
Short Term Loan	IL&FS	15,00,00,000	-	-	-	15,00,00,000
Short Term Loan	RMGL	-	1,85,00,00,000	-	-	1,85,00,00,000
Interest Payable on STL	RMGL	-	14,59,726	-	-	14,59,726
Security Deposit	ITCL	-	1,000	-	-	1,000
Share Capital	RIL	-	-	42,00,00,000	-	42,00,00,000
Advance towards Utility Shifting Work	RIL	-	-	68,00,000	-	68,00,000

Transactions						
Project Management Fees	ITNL	-	-	9,33,33,338	-	9,33,33,338
Deputation Cost	ITNL	-	-	3,67,068	-	3,67,068
Operation & Maintenance Cost	ITNL	-	-	16,46,34,696	-	16,46,34,696
Short Term Loan taken	ITNL	-	-	2,97,00,00,000	-	2,97,00,00,000
Short Term Loan Repaid	ITNL	-	-	3,58,22,00,000	-	3,58,22,00,000
Interest accrued on STL	ITNL	-	-	16,37,25,713	-	16,37,25,713
Interest Paid on STL	ITNL	-	-	19,71,82,140	-	19,71,82,140
Short Term Loan taken	IL&FS	3,60,00,00,000	-	-	-	3,60,00,00,000
Short Term Loan Repaid	IL&FS	3,45,00,00,000	-	-	-	3,45,00,00,000
Interest accrued & paid on STL	IL&FS	9,48,60,673	-	-	-	9,48,60,673
Short Term Loan taken	RMGL	-	1,85,00,00,000	-	-	1,85,00,00,000
Interest accrued on STL	RMGL	-	16,21,918	-	-	16,21,918
Director Fees	Narayanan Doraiswamy	-	-	-	30,000	30,000
Director Fees	Vijay Kini	-	-	-	90,000	90,000
Director Fees	Subhash Chandra Sachdev	-	-	-	10,000	10,000
Director Fees	IW Vijayakumar Isaac	-	-	-	10,000	10,000
Director Fees	M Bajulge	-	-	-	30,000	30,000

