# RAPID METRORAIL GURGAON SOUTH LIMITED

# FINANCIAL STATEMENTS

# 2016-2017

**Chartered Accountants**
7th Floor, Building 10, Tower B,
DLF Cyber City Complex,
DLF City Phase - II,
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**INDEPENDENT AUDITOR'S REPORT**
**To The Members of RAPID METRORAIL GURGAON SOUTH LIMITED**

**Report on the Ind AS Financial Statements**

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

**Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

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

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

Deloitte Haskins & Sells Chartered Accountants

**Opinion**

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

**Report on Other Legal and Regulatory Requirements**

1. 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 Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

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

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

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   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, as amended, 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 impact its financial position - Refer Note 34(c) to the Ind AS financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 34(d) to the Ind AS financial statements.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company - Refer Note 34(e) to the Ind AS financial statements.

      iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November, 2016 of the Ministry of Finance, during the period from 8 November, 2016 to 30 December, 2016 - Refer Note 11.1 to the Ind AS financial statements.

Deloitte Haskins & Sells
Chartered Accountants

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No: 015125N)

Deloitte Haskins & Sells
Chartered Accountants

**Satpal Singh Arora**
Partner
(Membership No. 98564)

Place : Mumbai
Date : 10 May, 2017

**"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT**
**(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting 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 **RAPID METRORAIL GURGAON SOUTH LIMITED** ("the Company") as of 31 March, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

**Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Deloitte Haskins & Sells
Chartered Accountants

### 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 Ind AS 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 Ind AS 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 Ind AS 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, to the best of our information and according to the explanations given to us, 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 31 March, 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 **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No: 015125N)

Deloitte Haskins & Sells
Chartered Accountants

**Satpal Singh Arora**
Partner
(Membership No. 98564)

Place : Mumbai
Date : 10 May, 2017

**"ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT**
**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

(I) In respect of its fixed assets (Property, Plant and Equipment):

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and the records examined by us and based on the examination of Concession Contract entered into by the Company with Haryana Urban Development Authority (HUDA), we report that the Company has constructed civil structure on land leased from a government agency for which the Company has entered into a 'Concession Contract' which gives the Company the 'Right to Use' this immoveable asset for a specified period. Such right to use has been recognised and disclosed as an 'Intangible asset' in the Ind AS financial statements, since ownership of the asset does not vest with the Company and hence there are no title deeds for this immoveable asset.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. The Company does not have any unclaimed deposits and accordingly the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

Deloitte Haskins & Sells
Chartered Accountants

(vii) According to the information and explanations given to us, in respect of statutory dues:

a. The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. We are informed that the provisions of Employees' State Insurance Act, 1948 are not applicable to the Company and that the operations of the Company during the year did not give rise to any liability for Sales Tax, Value Added Tax, Customs Duty, and Excise Duty.

b. There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, Cess and other material statutory dues in arrears as at 31 March, 2017 for a period of more than six months from the date they became payable. We are informed that the provisions of Employees' State Insurance Act, 1948 are not applicable to the Company and that the operations of the Company during the year did not give rise to any liability for Sales Tax, Value Added Tax, Customs Duty and Excise Duty.

c. There are no dues of Income-tax and Service Tax which have not been deposited as on 31 March, 2017 on account of disputes. The operations of the Company during the year did not give rise to any liability for Sales Tax, Value Added Tax, Customs Duty and Excise Duty.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans or borrowings from government nor has issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purpose for which they were raised, other than temporary deployment pending application. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has made private placement of shares during the year under review.

In respect of the above issue, we further report that:

a) The requirements of Section 42 of the Companies Act, 2013, as applicable, have been complied with.

b) The amounts raised have been applied by the Company during the year for the purposes for which funds were raised, other than temporary deployment pending application.

Deloitte Haskins & Sells Chartered Accountants

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company, as applicable, or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Deloitte Haskins & Sells
Chartered Accountants

**Satpal Singh Arora**
Partner
(Membership No. 98564)

Place : Mumbai
Date : 10 May, 2017

**RAPID METRORAIL GURGAON SOUTH LIMITED**
**BALANCE SHEET AS AT 31 MARCH, 2017**

| Particulars | Notes | As at 31 March, 2017 (Rs./Lacs) | As at 31 March, 2016 (Rs./Lacs) | As at 1 April, 2015 (Rs./Lacs) |
|---|---|---|---|---|
| **Assets** | | | | |
| **1. Non-current assets** | | | | |
| (a) Property, plant and equipment | 3 | 35.26 | 33.92 | 41.83 |
| (b) Intangible assets | 4 | 258,673.10 | - | - |
| (c) Intangible assets under development | 4 | - | 171,646.25 | 90,641.38 |
| (d) Financial assets | | | | |
| (i) Loans | 5 | - | 27,000.00 | - |
| (ii) Other financial assets | 6 | 283.73 | 449.08 | 189.46 |
| (e) Income tax assets | 8 | 237.24 | 30.74 | 4.52 |
| (f) Other non-current assets | 9 | 114.08 | 346.00 | 2,419.01 |
| **Total non-current assets** | | **259,343.41** | **199,505.99** | **93,296.20** |
| **2. Current assets** | | | | |
| (a) Financial assets | | | | |
| (i) Trade receivables | 10 | 157.23 | 17.09 | - |
| (ii) Cash and cash equivalents | 11 | 1,379.70 | 1,889.02 | 2,031.37 |
| (iii) Loans | 5 | - | 9,875.00 | 0.27 |
| (iv) Other financial assets | 6 | 778.32 | 29.22 | 6.24 |
| (b) Other current assets | 9 | 215.04 | 80.48 | 93.68 |
| **Total current assets** | | **2,530.29** | **11,890.81** | **2,131.56** |
| **Total assets** | | **261,873.70** | **211,396.80** | **95,427.76** |
| **Equity and liabilities** | | | | |
| **1. Equity** | | | | |
| (a) Equity share capital | 12 | 65,800.00 | 44,565.00 | 25,105.00 |
| (b) Other equity | 13 | 15,945.88 | 13,369.77 | 6,078.43 |
| **Total equity** | | **81,745.88** | **57,934.77** | **31,183.43** |
| **2. Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 14 | 101,482.39 | 75,782.96 | 52,374.57 |
| (ii) Other financial liabilities | 15 | 1,569.00 | 288.41 | 3.03 |
| (b) Provisions | 16 | 24.91 | 2.16 | 2.80 |
| (c) Deferred tax liabilities (Net) | 7 | 7,949.94 | 4,252.63 | 3,279.29 |
| **Total non-current liabilities** | | **111,026.24** | **80,326.16** | **55,659.69** |
| **Current liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 17 | 39,000.05 | 52,869.66 | - |
| (ii) Trade payables | 18 | | | |
| -Total outstanding dues of micro enterprises and small enterprises | | - | - | - |
| -Total outstanding dues of creditors other than micro enterprises and small enterprises | | 451.61 | 73.56 | 46.73 |
| (iii) Other financial liabilities | 15 | 27,068.38 | 19,569.63 | 8,281.67 |
| (b) Provisions | 16 | 6.28 | 5.03 | 1.09 |
| (c) Current income tax liabilities | 8 | 1,697.04 | - | - |
| (d) Other current liabilities | 19 | 878.22 | 617.99 | 255.15 |
| **Total current liabilities** | | **69,101.58** | **73,135.87** | **8,584.64** |
| **Total liabilities** | | **180,127.82** | **153,462.03** | **64,244.33** |
| **Total Equity and liabilities** | | **261,873.70** | **211,396.80** | **95,427.76** |
| **See accompanying notes to the financial statements** | **1-37** | | | |

In terms of our report attached

**For Deloitte Haskins & Sells**
Chartered Accountants

**Satpal Singh Arora**
Partner

Deloitte Haskins & Sells Chartered Accountants

Place: Mumbai
Date: 10 May, 2017

**For and on behalf of the Board of Directors**

**Rajiv Banga**
Managing Director
(DIN-02093324)

**Rameshwar Lal Kabra**
Director
(DIN-00165612)

**Rajnesh Khurana**
Chief Financial Officer

**Shikha Sachdeva**
Company Secretary

Place: Mumbai
Date: 10 May, 2017

**RAPID METRORAIL GURGAON SOUTH LIMITED**
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2017**

| | Particulars | Notes | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|---|
| 1. | Revenue from operations | 20 | 74,635.00 | 72,355.57 |
| 2. | Other income | 21 | 6,034.29 | 224.26 |
| 3. | **Total income (1+2)** | | **80,669.29** | **72,579.83** |
| 4. | **Expenses** | | | |
| | Operating expenses of service concession arrangement | 22 | 65,775.93 | 64,010.11 |
| | Employee benefit expense | 23 | 41.45 | 28.91 |
| | Finance costs | 24 | 5,855.92 | 170.71 |
| | Depreciation and amortisation expense | 25 | 20.89 | 8.68 |
| | Other expenses | 26 | 162.73 | 96.13 |
| | **Total expenses** | | **71,856.92** | **64,314.54** |
| 5. | **Profit before tax (3-4)** | | **8,812.37** | **8,265.29** |
| 6. | **Tax expense** | | | |
| | -Current tax | 27.1 | 1,697.04 | - |
| | -Deferred tax | 7 | 3,698.90 | 973.56 |
| | **Total tax expense** | | **5,395.94** | **973.56** |
| 7. | **Profit for the year (5-6)** | | **3,416.43** | **7,291.73** |
| 8. | **Other comprehensive income** | | | |
| | A (i) Items that will not be reclassified to profit or loss | | | |
| | - Remeasurement of defined benefit plans | 31 | (4.63) | (0.60) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | 27.2 | 1.60 | 0.21 |
| | B Items that may be reclassified to profit or loss | | | |
| | - Effective portion of gain and loss on designated portion of hedging instruments in a cash flow hedge | 13.2 | (837.29) | - |
| | **Total other comprehensive income** | | **(840.32)** | **(0.39)** |
| 9. | **Total comprehensive income for the year (7+8)** | | **2,576.11** | **7,291.34** |
| | **Earnings per equity share** | 29 | | |
| | (Face value Rs. 10 per share) | | | |
| | - Basic and diluted (in Rs.) | | 0.60 | 2.17 |
| | **See accompanying notes to the financial statements** | **1-37** | | |

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

**Satpal Singh Arora**
Partner

Deloitte Haskins & Sells
Chartered Accountants

Place: Mumbai
Date: 10 May, 2017

**For and on behalf of the Board of Directors**

**Rajiv Banga**
Managing Director
(DIN-02093324)

**Rameshwar Lal Kabra**
Director
(DIN-00165612)

**Rajnesh Khurana**
Chief Financial Officer

**Shikha Sachdeva**
Company Secretary

Place: Mumbai
Date: 10 May, 2017

**RAPID METRORAIL GURGAON SOUTH LIMITED**
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2017**

| | Notes | Year Ended 31.03.2017 (Rupees in lacs) | Year Ended 31.03.2016 (Rupees in lacs) |
|---|---|---|---|
| **A. Cash flow from operating activities** | | | |
| Profit for the year | | 3,416.43 | 7,291.73 |
| Adjustments for: | | | |
| Income tax expense | | 5,395.94 | 973.56 |
| Finance costs | | 5,855.92 | 170.71 |
| Interest income | | (6,033.87) | (214.98) |
| Depreciation and amortisation expense | | 20.89 | 8.68 |
| | | **8,655.31** | **8,229.70** |
| Movements in working capital: | | | |
| Adjustments for (increase) / decrease in operating assets: | | | |
| Trade receivables | | (140.14) | (17.09) |
| Other financial assets | | 165.35 | (259.62) |
| Other assets | | (158.09) | (31.17) |
| Adjustments for increase / (decrease) in operating liabilities: | | | |
| Trade payables | | 378.05 | 26.83 |
| Other liabilities | | 260.23 | 362.84 |
| Other financial liabilities | | 443.61 | 285.64 |
| Provisions | | 19.38 | 2.70 |
| **Cash generated from operations** | | 9,623.70 | 8,599.83 |
| Income tax paid | | (206.50) | (26.22) |
| **Net cash generated by operating activities (A)** | | **9,417.20** | **8,573.61** |
| **B. Cash flow from investing activities** | | | |
| Payments for purchase of property, plant and equipment | | (14.59) | (0.77) |
| Payments for purchase of intangible assets | | (81,124.08) | (67,599.79) |
| Amounts advanced to related parties | | (28,100.00) | (74,374.73) |
| Repayments by related parties | | 64,975.00 | 37,500.00 |
| Interest received | | 5,284.77 | 192.00 |
| Fixed deposit not considered as Cash and cash equivalents | | | |
| - Placed | | (21,400.00) | - |
| - Matured | | 21,400.00 | - |
| **Net cash used in investing activities (B)** | | **(38,978.90)** | **(104,283.29)** |
| **C. Cash flow from financing activities** | | | |
| Proceeds from issue of equity instruments of the Company | | 21,235.00 | 19,460.00 |
| Proceeds from borrowings | | 29,299.43 | 103,903.05 |
| Repayment of borrowings | | (17,469.61) | (27,625.00) |
| Interest paid | | (4,012.44) | (170.72) |
| **Net cash generated by financing activities (C)** | | **29,052.38** | **95,567.33** |
| **Net decrease in Cash and cash equivalents (A+B+C)** | | (509.32) | (142.35) |
| Cash and cash equivalents at the beginning of the year | 11 | 1,889.02 | 2,031.37 |
| **Cash and cash equivalents at the end of year end** | **11** | **1,379.70** | **1,889.02** |
| **See accompanying notes to the financial statements** | **1-37** | | |

**In terms of our report attached**

For **Deloitte Haskins & Sells**
Chartered Accountants

Deloitte Haskins & Sells
Chartered Accountants

**Satpal Singh Arora**
Partner

Place: Mumbai
Date: 10 May, 2017

**For and on behalf of the Board of Directors**

**Rajiv Banga**
Managing Director
(DIN-02093324)

**Rameshwar Lal Kabra**
Director
(DIN-00165612)

**Rajnesh Khurana**
Chief Financial Officer

**Shikha Sachdeva**
Company Secretary

Place: Mumbai
Date: 10 May, 2017

**RAPID METRORAIL GURGAON SOUTH LIMITED**
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2017**

**a. Equity share capital**

| Particulars | Amount (Rs./Lacs) |
|---|---|
| **Balance at 1 April, 2015** | **25,105.00** |
| Changes in equity share capital during the year | 19,460.00 |
| **Balance as 31 March, 2016** | **44,565.00** |
| Changes in equity share capital during the year | 21,235.00 |
| **Balance as 31 March, 2017** | **65,800.00** |

**b. Other equity**

| Particulars | Reseves and surplus | Item of other comprehensive income | Total equity |
|---|---|---|---|
| | Retained earnings | Effective portion of cash Flow hedge | |
| | (Rs./Lacs) | (Rs./Lacs) | (Rs./Lacs) |
| **Balance at 1 April, 2015** | **6,078.43** | - | **6,078.43** |
| Profit for the year | 7,291.73 | - | 7,291.73 |
| Other comprehensive Income for the year, net of income tax | (0.39) | - | (0.39) |
| **Total comprehensive Income for the year** | **7,291.34** | - | **7,291.34** |
| **Balance at 31 March, 2016** | **13,369.77** | - | **13,369.77** |
| Profit for the year | 3,416.43 | - | 3,416.43 |
| Other comprehensive income for the year, net of income tax | (3.03) | (837.29) | (840.32) |
| **Total comprehensive income for the year** | **3,413.40** | **(837.29)** | **2,576.11** |
| **Balance at 31 March, 2017** | **16,783.17** | **(837.29)** | **15,945.88** |

**See accompanying notes to the financial statements** **1-37**

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

**Satpal Singh Arora**
Partner

Deloitte Haskins & Sells
Chartered Accountants

Place: Mumbai
Date: 10 May, 2017

**For and on behalf of the Board of Directors**

**Rajiv Banga**
Managing Director
(DIN-02093324)

**Rameshwar Lal Kabra**
Director
(DIN-00165612)

**Rajnesh Khurana**
Chief Financial Officer

**Shikha Sachdeva**
Company Secretary

Place: Mumbai
Date: 10 May, 2017

## 1. Background

The Company was incorporated under the Companies Act, 1956 on 24 August, 2012 for the purpose of development of urban and inter urban mass and freight transport infrastructure projects in Gurgaon.

The Company has been floated by IL&FS Rail Limited (formerly ITNL Enso Rail Systems Limited) to execute Metro Rail Gurgaon Project. The Company has entered into a Concession Service Agreement with Haryana Urban development Authority (HUDA) for execution of the project.

## 2. Significant accounting policies

### 2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

Upto the year ended 31 March, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April, 2015. Refer Note 2.22 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 the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis except for, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

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## 2.3 Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of valuation of deferred tax assets and provision for employee benefits.

**Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under note 2.9.2. Also see note 6.

**Provision for employee benefits**

The policy for the employee benefits have been explained under note 2.8. Also see note 16 and 31.

## 2.4 Accounting for rights under service concession arrangements and revenue recognition

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

### 2.4.1 Service Concession Arrangements ('SCA')

#### A. Recognition and measurement

The Company has build Metro Rail under public-to-private Service Concession Arrangement (SCA) which it will operate and maintain for periods specified in the SCA.

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

Such an intangible asset is recognised by the Company at the fair value of consideration received or receivable for the construction services delivered.

Accordingly, the fair value of consideration for construction services in respect of intangible assets covered under Service Concession Arrangements (SCA) are determined after considering the appropriate margin on construction services and are amortised over the useful life of such intangible asset in terms of SCA.

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**B. 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 to restore the infrastructure to a specified condition before it is handed over to the grantor of the SCA. In case of SCA under financial asset model, such costs are recognised in the period in which such costs are actually incurred.

**C. Revenue recognition**

Revenue from construction services is recognised according to the stage of completion of the contract, which depends on the proportion of costs incurred for the work performed till date to the total estimated contract costs provided the outcome of the contract can be reliably estimated. When the outcome of the contract cannot be reliably estimated but the overall contract is estimated to be profitable, revenue is recognised to the extent of recoverable costs. Any expected loss on a contract is recognised as an expense immediately. Revenue is not recognised when the concerns about collection are significant.

Revenue from intangible assets is recognised in the period of collection which generally coincides with the usage of the public service.

**D. Borrowing cost related to SCAs**

In respect of an intangible asset, borrowing costs attributable to construction of the project are capitalised up to the date of completion of construction. All borrowing costs subsequent to construction are charged to the Profit and Loss Account in the period in which such costs are incurred.

**2.4.2 Revenue Recognition**

Revenue from fare collection is recognised on the basis of use of tokens, money value of the actual usage in case of smart cards and other direct fare collection.

Revenue from non-fare services i.e. advertisement income is recognised on accrual basis in accordance with terms of contract with the customers.

**2.4.3 Dividend and interest income**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## 2.5 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**2.5.1 The Company as lessor**

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

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Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### 2.5.2 The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see note 2.7 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 2.6 Foreign currencies

The functional currency of the Company is Indian rupee.

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

### 2.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

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

## 2.8 Employee benefits

### 2.8.1 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.

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 semi-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 is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. 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 settlements);
- net interest expense or income; and
- remeasurement

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 retirement benefit obligation recognised in the balance sheet 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 recognises any related restructuring costs.

### 2.8.2 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.

## 2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

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### 2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. 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.

### 2.9.2 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 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 utilised. 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.

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.

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

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

### 2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 2.10 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

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Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, 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, manufacturers warranties and maintenance support etc.

| Asset type | Useful life (in years) |
|---|---|
| Specialised office equipment | 3 |
| Vehicles | 5 |
| Assets provided to employees (included in furniture and fixtures) | 3 |

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 amount of the asset and is recognised in profit or loss.

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## 2.11 Intangible assets

### 2.11.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

### 2.11.2 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

### 2.11.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets comprising of Computer software licenses are amortised on a straight-line method over the license period or 4 years whichever is less.

## 2.12 Impairment of tangible and intangible assets other than goodwill

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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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## 2.13 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.

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).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## 2.14 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

## 2.15 Financial instruments

Financial assets and financial liabilities are recognised when entity 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 are recognised immediately in profit or loss.

## 2.16 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.

### 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 gross 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.

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**Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

**Financial assets at fair value through profit or loss (FVTPL)**

Investments in equity instruments other than in subsidiaries are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

**Investment in subsidiaries**

Investments in equity instruments of Subsidiaries are accounted for as per Ind AS 27 i.e "Separate Financial Statement" which allows provides to account for these investments at cost or in accordance with Ind AS 109 for each category of investments.

Accordingly, the Company has accounted investment in Subsidiaries at cost.

**Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit -adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all

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contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

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. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

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.

For 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, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

**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 collateralised 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

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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.

**Foreign exchange gains 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 FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

## 2.17 Financial liabilities and equity instruments

### 2.17.1 Classification as debt or equity

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

### 2.17.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### 2.17.3 Financial liabilities

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

**Financial liabilities subsequently measured at amortised cost**

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction

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costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

**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. Further details of derivative financial instruments are disclosed in Note 32.

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 Statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

**Hedge accounting**

The Company designates certain hedging instruments which include derivatives in respect of foreign currency risk, interest rate risk are accounted as cash flow hedge. Hedges of foreign exchange risk on firm commitments are also accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 32 sets out details of the fair values of the derivative instruments used for hedging purposes.

**Cash flow hedges**

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve except where capitalised. The gain or loss relating to the ineffective portion is recognised immediately in Statement of profit and loss, and is included in the 'Other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

**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'.

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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. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

**Derecognition of financial liabilities**

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

## 2.18 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

## 2.19 Cash Flow Statement

Cash flows are reported using the indirect method, where by profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## 2.20 Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

## 2.21 Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

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## 2.22 First-time adoption - mandatory exceptions, optional exemptions

### 2.22.1 Overall principle

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

### 2.22.2 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 1 April, 2015 (the transition date).

### 2.22.3 Classification of debt instruments

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

### 2.22.4 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.

### 2.22.5 Cost or deemed Cost for property, plant and equipment and intangible assets

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

### 2.22.6 Determining whether an arrangement contains a lease

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

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## 2.23. Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' The amendments are applicable to the Company from 1 April, 2017.

**Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and its impact on its cash flows, which are not expected to be material.

**Amendment to Ind AS 102:**

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company does not have any scheme of share based payments and hence the requirements of the amendment will not have any impact of the financial statements.

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## Note 3: Property, plant and equipment

(Rs./Lacs)

| Carrying amounts of : | As at 31 March, 2017 | As at 31 March, 2016 | As at 1 April, 2015 |
|---|---|---|---|
| Office equipment | 1.82 | 2.98 | 4.13 |
| Plant and machinery | 5.64 | 6.05 | 6.54 |
| Leasehold improvements | 12.11 | 15.94 | 19.78 |
| Data processing equipment | 2.31 | 0.86 | 2.03 |
| Furniture and fixtures | 0.25 | 0.22 | 0.11 |
| Motor vehicles | 13.13 | 7.87 | 9.24 |
| | **35.26** | **33.92** | **41.83** |

| Particulars | Office equipment | Plant and machinery | Leasehold improvements | Data processing equipment | Furniture and fixtures | Motor vehicles | Total |
|---|---|---|---|---|---|---|---|
| **Deemed cost** | | | | | | | |
| Balance at 1 April, 2015 | **4.13** | **6.54** | **19.78** | **2.03** | **0.11** | **9.24** | **41.83** |
| Additions | 0.64 | - | - | - | 0.13 | - | **0.77** |
| Disposals | (0.33) | - | - | (0.12) | - | - | **(0.45)** |
| **Balance at 31 March, 2016** | **4.44** | **6.54** | **19.78** | **1.91** | **0.24** | **9.24** | **42.15** |
| Additions | 5.28 | 0.08 | - | 2.30 | 0.06 | 6.87 | **14.59** |
| Disposals | - | - | - | - | - | - | - |
| **Balance at 31 March, 2017** | **9.72** | **6.62** | **19.78** | **4.21** | **0.30** | **16.11** | **56.74** |
| **Accumulated depreciation** | | | | | | | |
| Balance at 1 April, 2015 | - | - | - | - | - | - | - |
| Depreciation expense | 1.79 | 0.49 | 3.84 | 1.17 | 0.02 | 1.37 | **8.68** |
| Elimination on disposals of assets | (0.33) | - | - | (0.12) | - | - | **(0.45)** |
| **Balance at 31 March, 2016** | **1.46** | **0.49** | **3.84** | **1.05** | **0.02** | **1.37** | **8.23** |
| Depreciation expense | 6.44 | 0.49 | 3.83 | 0.85 | 0.03 | 1.61 | **13.25** |
| Eliminated on disposals of assets | - | - | - | - | - | - | - |
| **Balance at 31 March, 2017** | **7.90** | **0.98** | **7.67** | **1.90** | **0.05** | **2.98** | **21.48** |
| **Carrying amount** | | | | | | | |
| Balance at 1 April, 2015 | 4.13 | 6.54 | 19.78 | 2.03 | 0.11 | 9.24 | **41.83** |
| Additions | 0.64 | - | - | - | 0.13 | - | **0.77** |
| Disposals | - | - | - | - | - | - | - |
| Depreciation expense | 1.79 | 0.49 | 3.84 | 1.17 | 0.02 | 1.37 | **8.68** |
| **Balance at 31 March, 2016** | **2.98** | **6.05** | **15.94** | **0.86** | **0.22** | **7.87** | **33.92** |
| Additions | 5.28 | 0.08 | - | 2.30 | 0.06 | 6.87 | **14.59** |
| Disposals | - | - | - | - | - | - | - |
| Depreciation expense | 6.44 | 0.49 | 3.83 | 0.85 | 0.03 | 1.61 | **13.25** |
| **Balance at 31 March, 2017** | **1.82** | **5.64** | **12.11** | **2.31** | **0.25** | **13.13** | **35.26** |

**Assets pledged as security**

None

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## 4 Intangibe Assets

(Rs./Lacs)

| | As at 31 March, 2017 | As at 31 March, 2016 | As at 1 April, 2015 |
|---|---|---|---|
| **Carrying amounts of :** | | | |
| Rights under service concession arrangement | 258,673.10 | - | - |
| | **258,673.10** | **-** | **-** |
| Intangible assets under development | - | 171,646.25 | 90,641.38 |
| | **-** | **171,646.25** | **90,641.38** |

| **Particulars** | **Rights under service concession arrangement** |
|---|---|
| **Deemed cost** | |
| Balance at 1 April, 2015 | - |
| Additions | - |
| Disposals | - |
| **Balance at 31 March, 2016** | - |
| Additions | **258,680.74** |
| Disposals | - |
| **Balance at 31 March, 2017** | **258,680.74** |
| **Accumulated depreciation** | |
| Balance at 1 April, 2015 | - |
| Depreciation expense | - |
| Elimination on disposals of assets | - |
| **Balance at 31 March, 2016** | - |
| Depreciation expense | **7.64** |
| Eliminated on disposals of assets | - |
| **Balance at 31 March, 2017** | **7.64** |
| **Carrying amount** | |
| Balance at 1 April, 2015 | - |
| Additions | - |
| Disposals | - |
| Depreciation expense | - |
| **Balance at 31 March, 2016** | - |
| Additions | **258,680.74** |
| Disposals | - |
| Depreciation expense | **7.64** |
| **Balance at 31 March, 2017** | **258,673.10** |

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## Note 5: Loans

| Particulars | As at 31 March, 2017 (Rs./Lacs) | As at 31 March, 2016 (Rs./Lacs) | As at 1 April, 2015 (Rs./Lacs) |
|---|---|---|---|
| **Non- Current** | | | |
| Loans to related parties | | | |
| -Unsecured, considered good (See note 33) | - | 27,000.00 | - |
| **Current** | | | |
| Loans to related parties | | | |
| -Unsecured, considered good (see note 33) | - | 9,875.00 | 0.27 |

## Note 6: Other financial assets

| Particulars | As at 31 March, 2017 (Rs./Lacs) | As at 31 March, 2016 (Rs./Lacs) | As at 1 April, 2015 (Rs./Lacs) |
|---|---|---|---|
| **Non- Current** | | | |
| a. Security deposits | 169.55 | 163.40 | 162.40 |
| b. Derivative contracts designated in hedge accounting relationships | 114.18 | 285.68 | 27.06 |
| | 283.73 | 449.08 | 189.46 |
| Current | | | |
| Accured interest on: | | | |
| - Bank deposits | - | - | 6.24 |
| - Loans and advances | 778.32 | 29.22 | - |
| | 778.32 | 29.22 | 6.24 |

## Note 7: Deferred tax liabilities (net)

| Particulars | As at 31 March, 2017 (Rs./Lacs) | As at 31 March, 2016 (Rs./Lacs) | As at 1 April, 2015 (Rs./Lacs) |
|---|---|---|---|
| a. Deferred tax liabilities | 13,419.32 | 4,256.00 | 3,279.84 |
| b. Deferred tax assets | 5,469.38 | 3.37 | 0.55 |
| **Total** | 7,949.94 | 4,252.63 | 3,279.29 |

| 2016-17 | Opening Balance (Rs./Lacs) | Recognised in profit or loss (Rs./Lacs) | Recognised in other comprehensive income (Rs./Lacs) | Closing Balance (Rs./Lacs) |
|---|---|---|---|---|
| **Deferred tax liability in relation to:** | | | | |
| Property, plant and equipment and intangible assets | 4,256.00 | 9,340.03 | - | 13,596.03 |
| Total | 4,256.00 | 9,340.03 | - | 13,596.03 |
| **Deferred tax asset in relation to:** | | | | |
| a. Provision for employee benefits | 0.38 | 7.53 | 1.60 | 9.51 |
| b. Unabsorbed depreciation | 2.98 | 5,633.60 | - | 5,636.58 |
| Total | 3.36 | 5,641.13 | 1.60 | 5,646.09 |

| 2015-16 | Opening Balance | Recognised in profit or loss | Recognised in other comprehensive income | Closing Balance |
|---|---|---|---|---|
| **Deferred tax liability in relation to:** | | | | |
| Property, plant and equipment and intangible assets | 3,279.84 | 976.16 | - | 4,256.00 |
| Total | 3,279.84 | 976.16 | - | 4,256.00 |
| **Deferred tax asset in relation to:** | | | | |
| a. Provision for employee benefits | 0.34 | (0.17) | 0.21 | 0.38 |
| b. Unabsorbed depreciation | 0.21 | 2.77 | - | 2.98 |
| **Total** | 0.55 | 2.60 | 0.21 | 3.36 |

Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.

## Note 8: Income tax assets and liabilities

| Particulars | As at 31 March, 2017 (Rs./Lacs) | As at 31 March, 2016 (Rs./Lacs) | As at 1 April, 2015 (Rs./Lacs) |
|---|---|---|---|
| **Income tax asset (net)** | | | |
| Advance tax | 237.24 | 30.74 | 4.52 |
| **Current tax liabilities** | | | |
| Income tax payable | 1,697.04 | - | - |

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**Note 9: Other assets**

| Particulars | As at 31 March, 2017 (Rs./Lacs) | As at 31 March, 2016 (Rs./Lacs) | As at 1 April, 2015 (Rs./Lacs) |
|---|---|---|---|
| **Non- Current** | | | |
| a. Capital advances to related party (See note 33) | 42.90 | 298.35 | 2,415.73 |
| b. Prepaid expenses | 71.18 | 47.65 | 3.28 |
| **Total** | 114.08 | 346.00 | 2,419.01 |
| **Current** | | | |
| a. Balances with government authorities | | | |
| - Service tax credit receivable | 10.78 | - | 4.38 |
| b. Prepaid expenses | 188.84 | 80.48 | 89.30 |
| c. Advance to vendors | 15.42 | - | - |
| **Total** | 215.04 | 80.48 | 93.68 |

**Note 10: Trade receivables**

| Particulars | As at 31 March, 2017 (Rs./Lacs) | As at 31 March, 2016 (Rs./Lacs) | As at 1 April, 2015 (Rs./Lacs) |
|---|---|---|---|
| **Current** | | | |
| Unsecured, considered good | 157.23 | 17.09 | - |

**Trade Receivables**
Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Majorly receivables pertains to revenue from adversement income. Of the trade receivables balance as at 31 March, 2017; one customer amounting to Rs. to Rs. 152.83 lacs (as at 1 April, 2015 of Rs. 17.09 lacs), (as at 1 April, 2015 of Rs. Nil) represents more than 5% of the total balance of trade receivables.

**Age of receivables**

| | As at 31 March, 2017 (Rs./Lacs) | As at 31 March, 2016 (Rs./Lacs) | As at 1 April, 2015 (Rs./Lacs) |
|---|---|---|---|
| Within the credit period | 0.37 | | |
| 1-30 days past due | - | 17.09 | - |
| 31-60 days past due | - | - | - |
| 61-90 days past due | 41.11 | - | - |
| More than 90 days past due | 115.75 | - | - |
| **Total** | 157.23 | 17.09 | - |

With respect to trade receivables, there are no indicators as on 31 March, 2017 for default in payments. Accordingly, the Company does not anticipate any expected credit loss.

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**Note 11: Cash and cash equivalents**

| | Particulars | As at 31 March, 2017 (Rs./Lacs) | As at 31 March, 2016 (Rs./Lacs) | As at 1 April, 2015 (Rs./Lacs) |
|---|---|---|---|---|
| | **Cash and cash equivalents** | | | |
| a. | Balances with banks | | | |
| | - in current accounts | 1,369.17 | 1,888.76 | 531.18 |
| | - in deposit accounts | - | - | 1,500.00 |
| b. | Cash in hand | 10.53 | 0.26 | 0.19 |
| | **Cash and cash equivalents as per balance sheet** | **1,379.70** | **1,889.02** | **2,031.37** |
| | **Cash and cash equivalents as per statements of cash flows** | **1,379.70** | **1,889.02** | **2,031.37** |

**Note 11.1 Disclosure on Specified Bank Notes (SBNs)**

The Company did not have any Specified Bank Notes (SBNs), as defined in the MCA notification G.S.R. 308(E) dated 30 March, 2017, held and transacted during the period from 8 November, 2016 to 30 December, 2016.

Details of other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 30 March, 2017, held and transacted during the period from 8 November, 2016 to 30 December, 2016 is stated below:

| Particulars | SBNs | Other denomination notes | Total |
|---|---|---|---|
| | (Rs.) | (Rs.) | (Rs.) |
| Closing cash in hand on 8 November, 2016 | - | 3,846 | 3,846 |
| Add: Permitted receipts | - | 54,000 | 54,000 |
| Less: Permitted payments | - | 44,535 | 44,535 |
| Less: Amount deposited in banks | - | - | - |
| Closing cash held as on 30 December, 2016 | - | 13,311 | 13,311 |

**Notes:**

(i) Permitted receipts represents amount withdrawn from bank accounts.

(ii) For the purposes of this note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November, 2016.

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**Note 12: Equity Share Capital**

| Particulars | As at 31 March, 2017 (Rs./Lacs) | As at 31 March, 2016 (Rs./Lacs) | As at 1 April, 2015 (Rs./Lacs) |
|---|---|---|---|
| **Authorised share capital**<br>800,000,000 fully paid equity shares of Rs. 10 each (as at 31 March, 2016: 650,000,000, as at 1 April, 2015: 460,000,000) | 80,000.00 | 65,000.00 | 46,000.00 |
| **Issued, subscribed and fully paid-up**<br>658,000,000 fully paid equity shares of Rs. 10 each (as at 31 March, 2016: 445,650,000, as at 1 April, 2015: 210,050,000) | 65,800.00 | 44,565.00 | 25,105.00 |

**See notes (i) to (iv) below**

**(i) Fully paid equity shares:**

| Particulars | As at 31 March, 2017 | | As at 31 March, 2016 | | As at 1 April, 2015 | |
|---|---|---|---|---|---|---|
| | Number of shares | (Rs./Lacs) | Number of shares | (Rs./Lacs) | Number of shares | (Rs./Lacs) |
| **Equity share capital** | | | | | | |
| Shares outstanding at the beginning of the year | 445,650,000 | 44,565.00 | 251,050,000 | 25,105.00 | 251,050,000 | 25,105.00 |
| Issued during the year | 212,350,000 | 21,235.00 | 194,600,000 | 19,460.00 | - | - |
| **Shares outstanding at the end of the year** | **658,000,000** | **65,800.00** | **445,650,000** | **44,565.00** | **251,050,000** | **25,105.00** |

(ii) The Company has issued one class of equity shares having face value of Rs. 10 each. Each shareholder is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(iii) Details of Shares held by the holding company, ultimate holding Company and their subsidiaries :**

| Particulars | As at 31 March, 2017 | | As at 31 March, 2016 | | As at 1 April, 2015 | |
|---|---|---|---|---|---|---|
| | Number of shares | % Holding | Number of shares | % Holding | Number of | % Holding |
| IL&FS Transportation Networks Limited | 230,300,000 | 35.00% | 155,977,500 | 35.00% | 87,867,500 | 35.00% |
| IL&FS Rail Limited | 427,699,940 | 65.00% | 289,672,440 | 65.00% | 163,182,440 | 65.00% |
| | **657,999,940** | | **445,649,940** | | **251,049,940** | |

**(iv) Details of shares held by shareholders holding more than 5% of shares:**

| Particulars | As at 31 March, 2017 | | As at 31 March, 2016 | | As at 1 April, 2015 | |
|---|---|---|---|---|---|---|
| | Number of shares | % Holding | Number of shares | % Holding | Number of shares | % Holding |
| IL&FS Transportation Networks Limited | 230,300,000 | 35.00% | 155,977,500 | 35.00% | 87,867,500 | 35.00% |
| IL&FS Rail Limited | 427,699,940 | 65.00% | 289,672,440 | 65.00% | 163,182,440 | 65.00% |
| | **657,999,940** | | **445,649,940** | | **251,049,940** | |

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**Note 13: Other equity**

| Particulars | As at 31 March, 2017 (Rs./Lacs) | As at 31 March, 2016 (Rs./Lacs) | As at 1 April, 2015 (Rs./Lacs) |
|---|---|---|---|
| Retained earnings | 16,783.17 | 13,369.77 | 6,078.43 |
| Cash flow hedging reserve | (837.29) | - | - |
| **Total** | **15,946** | **13,370** | **6,078** |

**Note 13.1 Retained Earnings**

| Particulars | As at 31 March, 2017 (Rs./Lacs) | As at 31 March, 2016 (Rs./Lacs) |
|---|---|---|
| i. Balance at the beginning of the year | 13,369.77 | 6,078.43 |
| ii. Add: Profit for the year | 3,416.43 | 7,291.73 |
| | **16,786.20** | **13,370.16** |
| iii. Less: Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax | (3.03) | (0.39) |
| **Balance at the end of the year** | **16,783.17** | **13,369.77** |

**Note 13.2 Cash flow hedging reserve**

| Particulars | As at 31 March, 2017 (Rs./Lacs) | As at 31 March, 2016 (Rs./Lacs) |
|---|---|---|
| i. Balance at the beginning of the year | - | - |
| ii. Gain/(loss) arising on changes in fair value of designated portion of heding instrument entered into the cash flow hedge | | |
| - Currency Swap and cross currency interest rate swaps | (287.17) | |
| iii. Cumulative (gain)/loss arising on chnages in fair value of designated portion of heding instrument reclassified to profit and loss | | - |
| - Cross currency swaps related to interest | 5.33 | |
| - Cross currency swaps related to principal | (555.45) | |
| **Balance at the end of the year** | **(837.29)** | - |

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**Note 14: Non-current borrowings**

| | Particulars | As at 31 March, 2017 (Rs./Lacs) | As at 31 March, 2016 (Rs./Lacs) | As at 1 April, 2015 (Rs./Lacs) |
|---|---|---|---|---|
| | **Secured - at amortised cost (See note 14.1 and 14.2 below)** | | | |
| | **Term loans from banks** | | | |
| a. | Canara Bank | 32,213.01 | 26,944.79 | 20,906.93 |
| b. | Andhra Bank | 9,748.02 | 9,044.56 | 6,894.66 |
| c. | Central Bank of India | 11,848.15 | 10,958.42 | 8,509.45 |
| d. | Corporation Bank | 8,264.20 | 7,737.03 | 5,269.68 |
| e. | Punjab & Sind Bank | 7,263.37 | 6,736.97 | 5,269.68 |
| | | **69,336.75** | **61,421.77** | **46,850.40** |
| | **Term loans from financial institution** | | | |
| | India Infrastructure Finance Company UK Limited | 32,145.64 | 14,361.19 | 5,524.17 |
| | **Total** | **101,482.39** | **75,782.96** | **52,374.57** |

**Note 14.1**

Term loan from banks and financial institution are secured against first charge on all revenue receipts from the project and balance in escrow account.

**Note 14.2**

Term loan from banks carry interest rate at bench mark prime lending rate (BMPLR) plus 1% and are repayable in 52 unequal quarterly installments commencing in the quarter ending 30 June, 2016 and terminating on 31 March, 2032.

Term loan from financial institution carry interest rate at Margin+6 month USD LIBOR and are repayable in 64 unequal quarterly installments commencing in the quarter ending July 01, 2019 and terminating on March 31, 2036

Details of repayment is as under :

| Financial year | Term loan from banks | | Term loan from financial institution | |
|---|---|---|---|---|
| | Repayment (% of loan) | Amount of loan repayment (Rs./Lacs) | Repayment (% of loan) | Amount of loan repayment (Rs./Lacs) |
| 2019-2020 | 0.03% | 21.55 | 0.03% | 9.93 |
| 2020-2021 | 1.00% | 718.40 | 1.00% | 331.10 |
| 2021-2022 | 4.00% | 2,873.59 | 2.00% | 662.21 |
| 2022-2023 | 4.00% | 2,873.59 | 2.00% | 662.21 |
| 2023-2024 | 5.00% | 3,591.98 | 4.00% | 1,324.42 |
| 2024-2025 | 6.00% | 4,310.38 | 5.00% | 1,655.52 |
| 2025-2026 | 8.00% | 5,747.17 | 6.00% | 1,986.62 |
| 2026-2027 | 9.00% | 6,465.57 | 8.00% | 2,648.83 |
| 2027-2028 | 7.00% | 5,028.78 | 9.00% | 2,979.94 |
| 2028-2029 | 7.60% | 5,459.81 | 7.00% | 2,317.73 |
| 2029-2030 | 16.00% | 11,494.35 | 7.60% | 2,516.39 |
| 2030-2031 | 2.50% | 1,795.99 | 8.00% | 2,648.83 |
| 2031-2032 | 24.50% | 17,600.72 | 8.00% | 2,648.83 |
| 2032-2033 | 5.37% | 3,857.79 | 2.50% | 827.76 |
| 2033-2034 | - | - | 10.50% | 3,476.59 |
| 2034-2035 | - | - | 14.00% | 4,635.46 |
| 2035-2036 | - | - | 5.37% | 1,778.03 |
| **Total** | **100%** | **71,839.67** | **100%** | **26,696.91** |
| Less- Impact of recognition of borrowing at amortised cost using effective interest method under Ind AS | | 2,502.92 | | 964.76 |
| **Balance outstanding as at 31 March, 2017** | | **69,336.75** | | **25,732.15** |

**Note 15: Other financial liabilities**

| | Particulars | As at 31 March, 2017 (Rs./Lacs) | As at 31 March, 2016 (Rs./Lacs) | As at 1 April, 2015 (Rs./Lacs) |
|---|---|---|---|---|
| | **Non-Current** | | | |
| a. | Security deposits received | 90.75 | 35.75 | - |
| b. | Derivative contracts designated in hedge accounting relationships | 1,478.25 | 252.66 | 3.03 |
| | **Total** | **1,569.00** | **288.41** | **3.03** |
| | **Current** | | | |
| a. | Interest accrued but not due on : | | | |
| | - borrowings from related party (see note 33) | 704.94 | - | - |
| | - other borrowings | 1,461.81 | 323.27 | - |
| b. | Payable on purchase of capital assets | 24,900.85 | 19,245.89 | 8,281.46 |
| c. | Others | 0.78 | 0.47 | 0.21 |
| | **Total** | **27,068.38** | **19,569.63** | **8,281.67** |

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**Note 16: Provisions**

| Particulars | As at 31 March, 2017 (Rs./Lacs) | As at 31 March, 2016 (Rs./Lacs) | As at 1 April, 2015 (Rs./Lacs) |
|---|---|---|---|
| **Non-current** | | | |
| a. Provision for employee benefits | | | |
| -Compensated absences | 3.62 | 2.11 | 0.58 |
| -Gratuity | 17.59 | 0.05 | 2.22 |
| b. Provision for replacement costs | 3.70 | - | - |
| | **24.91** | **2.16** | **2.80** |
| **Current** | | | |
| a. Provision for employee benefits | | | |
| -Compensated absences | 5.82 | 1.18 | 1.04 |
| -Gratuity | 0.46 | 3.85 | 0.05 |
| | **6.28** | **5.03** | **1.09** |

**Note 17: Short-term borrowings**

| Particulars | As at 31 March, 2017 (Rs./Lacs) | As at 31 March, 2016 (Rs./Lacs) | As at 1 April, 2015 (Rs./Lacs) |
|---|---|---|---|
| **Unsecured - at amortised cost** | | | |
| a. Loans repayable on demand from banks (See note a below) | | | |
| Bank of Bahrain & Kuwait | 1,000.00 | | |
| Deutsche Bank | 4,172.00 | 6,554.66 | |
| HDFC Bank | 28,909.05 | 9,440.00 | |
| Sumitomo Mitsui Banking Corporation | 1,919.00 | | - |
| | **36,000.05** | **15,994.66** | **-** |
| b. Loans from related parties (See note b below and note 33) | 3,000.00 | 36,875.00 | - |
| **Total** | **39,000.05** | **52,869.66** | **-** |

**Notes:**

a. Rate of interest on loans repayable on demand from banks is 8.50% to 9.35% per annum (as at 31 March, 2016: 15.50% per annum)

b. Rate of interest on loans from related parties is 13.25% per annum (as at 31 March, 2016: 15.50% per annum)

**Note 18: Trade payables**

| Particulars | As at 31 March, 2017 (Rs./Lacs) | As at 31 March, 2016 (Rs./Lacs) | As at 1 April, 2015 (Rs./Lacs) |
|---|---|---|---|
| a. Total outstanding dues of micro enterprises and small enterprises (See note below) | - | - | - |
| b. Total outstanding dues of creditors other than micro enterprises and small enterprises | 451.61 | 73.56 | 46.73 |
| **Total** | **451.61** | **73.56** | **46.73** |

**Notes:**

| | | | | |
|---|---|---|---|---|
| **i.** | **Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.** | | | |
| (a) | (i) the principal amount remaining unpaid to any supplier | - | - | - |
| | (ii) interest due thereon | - | - | - |
| (b) | interest paid in terms of section 16 of the Micro,Small and Medium Enterprises Development Act, 2006 and the amount of payment made to the supplier beyond the appointed day. | - | - | - |
| (c) | interest due and payable for the period of delay in making payment other than the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - | - |
| (d) | interest accrued and remaining unpaid | - | - | - |
| (e) | further interest remaining due and payable even in the | - | - | - |
| | Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. | | | |
| **ii.** | The average credit period is upto 30 days for the Company. | | | |

**Note 19: Other current liabilities**

| Particulars | As at 31 March, 2017 (Rs./Lacs) | As at 31 March, 2016 (Rs./Lacs) | As at 1 April, 2015 (Rs./Lacs) |
|---|---|---|---|
| Statutory dues (contribtion to PF, Withholding tax, Service Tax, etc.) | **878.22** | **617.99** | **255.15** |

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**Note 20: Revenue from operations**

| Particulars | For the year ended 31 March, 2017 (Rs./Lacs) | For the year ended 31 March, 2016 (Rs./Lacs) |
|---|---|---|
| a. Construction income | 74,322.61 | 72,331.42 |
| b. Sale of Services | | |
| - Fare revenue | 0.39 | - |
| c. Other operating revenues | | |
| - Non fare revenue (Advertisement income) | 312.00 | 24.15 |
| **Total** | **74,635.00** | **72,355.57** |

**Note 21: Other income**

| Particulars | For the year ended 31 March, 2017 (Rs./Lacs) | For the year ended 31 March, 2016 (Rs./Lacs) |
|---|---|---|
| a. Interest income on financial assets that are not designated as at fair Value through Profit or Loss (FVTPL): | | |
| - Bank deposits at amortised cost | 47.96 | 38.84 |
| - Others financial assets carried at amortised cost | 5,985.91 | 176.14 |
| b. Other gains and losses | | |
| Net gain on financial assets designated at FVTPL | - | 9.00 |
| c. Miscellaneous income | 0.42 | 0.28 |
| **Total** | **6,034.29** | **224.26** |

**Note 22: Operating expenses of service concession arrangement**

| Particulars | For the year ended 31 March, 2017 (Rs./Lacs) | For the year ended 31 March, 2016 (Rs./Lacs) |
|---|---|---|
| a. Construction contract costs | 65,772.23 | 64,010.11 |
| b. Operating expenses | | |
| - Provision for replacement costs | 3.70 | - |
| **Total** | **65,775.93** | **64,010.11** |

**Note 23: Employee benefits expenses**

| | For the year ended 31 March, 2017 (Rs./Lacs) | For the year ended 31 March, 2016 (Rs./Lacs) |
|---|---|---|
| a. Salaries and wages | 36.96 | 26.33 |
| b. Contribution to provident and other funds | 3.32 | 1.94 |
| c. Staff welfare expenses | 1.17 | 0.64 |
| | **41.45** | **28.91** |

**Note 24: Finance costs**

| | For the year ended 31 March, 2017 (Rs./Lacs) | For the year ended 31 March, 2016 (Rs./Lacs) |
|---|---|---|
| **Interest Costs:** | | |
| - Interest on borrowings | 12,742.05 | 7,950.68 |
| - Interest on loans from related parties | 5,817.04 | 170.71 |
| | 18,559.09 | 8,121.39 |
| Less: amount included in cost of qualifying assets | (12,708.50) | (7,950.68) |
| | 5,850.59 | 170.71 |
| (Gain)/loss arising on designated portion of heding instruments in cash flow hedges of floating rate debt reclassified from equity to profit or loss | | |
| - Interest rate swaps | 5.33 | - |
| | **5,855.92** | **170.71** |

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**Note 25: Depreciation and amortisation expense**

| | For the year ended 31 March, 2017 (Rs./Lacs) | For the year ended 31 March, 2016 (Rs./Lacs) |
|---|---|---|
| a. Depreciation of property, plant and equipment | 13.25 | 8.68 |
| b. Amortisation of Intangible Assets | 7.64 | - |
| **Depreciation and amortisation expense** | **20.89** | **8.68** |

**Note 26: Other expenses**

| **Particulars** | For the year ended 31 March, 2017 (Rs./Lacs) | For the year ended 31 March, 2016 (Rs./Lacs) |
|---|---|---|
| a. Communication expenses | 0.81 | 0.57 |
| b. Business promotion expenses | 4.84 | 3.21 |
| c. Rent | 20.36 | 11.50 |
| d. Office maintenance expenses | 6.47 | 2.68 |
| e. Electricity expenses | 1.37 | 0.57 |
| f. Travelling and conveyance expenses | 0.92 | 0.56 |
| g. Rates and taxes | 21.60 | 21.74 |
| h. Registration fee | 0.46 | - |
| i. Directors sititng fees | 8.78 | 9.81 |
| j. Legal and professional charges | 50.06 | 30.40 |
| k. Payments to auditors (See Note (i) below) | 14.03 | 13.74 |
| l. Printing and stationary | 0.09 | - |
| m. Insurance charges | 0.91 | 0.18 |
| n. Connectivity charges | 5.84 | - |
| o. Miscellenous expenses | 26.19 | 1.17 |
| **Total** | **162.73** | **96.13** |

**Note:**
Payments to the auditors comprise:

| | | |
|---|---|---|
| To statutory auditors | | |
| a. For audit | 12.00 | 12.00 |
| b. Service Tax | 1.80 | 1.74 |
| c. Reimbursement of out of pocket expenses | 0.23 | - |
| **Total** | **14.03** | **13.74** |

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27 **Income taxes**

**27.1 Income taxes recognised in profit and loss**

| Particulars | Year ended 31/03/2017 | Year ended 31/03/2016 |
|---|---|---|
| **Current tax** | **(Rs. / Lacs)** | **(Rs. / Lacs)** |
| In respect of the current year | 1,697.04 | - |
| | **1,697.04** | **-** |
| **Deferred tax** | | |
| In respect of the current year | 3,698.90 | 973.56 |
| | **3,698.90** | **973.56** |
| Total income tax expense recognised in the current year | **5,395.94** | **973.56** |

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

| Particulars | Year ended 31/03/2017 | Year ended 31/03/2016 |
|---|---|---|
| | **(Rs. / Lacs)** | **(Rs. / Lacs)** |
| **Profit before tax** | **8,812.37** | **8,265.29** |
| Statutory Income tax rate | 34.608% | 34.608% |
| Tax at Indian statutory income tax rate | 3,049.79 | 2,860.45 |
| Effect of MAT credit not recognised due to reversal of benefits under tax holiday period | (1,697.04) | - |
| Add: Effect on recognition of deferred tax on unused tax losses, tax credits and deductible temporary differences | 3,698.90 | 973.56 |
| Add: Effect on tax balance due to change in income tax rate from (34.608%) to (21.341%) | 344.29 | - |
| Add: Effect on tax balance due to tax loss as per Income tax | - | (2,860.45) |
| **Income tax expense recognised in profit or loss** | **5,395.94** | **973.56** |

The tax rate used for the years ended 31 March, 2017 and 31 March, 2016 reconciliations above is the coporate tax rate of 34.608% payable by corporate entities in India on taxable profit under the Income tax law.

**27.2 Income tax recognised in other comprehensive income**

| Particulars | Year ended 31/03/2017 | Year ended 31/03/2016 |
|---|---|---|
| | **(Rs. / Lacs)** | **(Rs. / Lacs)** |
| **Current tax** | | |
| Remeasurements of defined benefit obligation | 1.60 | 0.21 |
| **Total income tax recognised in other comprehensive income** | **1.60** | **0.21** |

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## Note 28: Segment Reporting

The Company is engaged in operation of a metro rail project in India. Based on the information reported to the management (Decision makers) for the purpose of resource allocation and assessment of performance, there are no reportable segments in accordance with the requirements of Ind AS 108 -'Operating Segment Reporting', notified under the Companies (Indian Accounting Standards) Rules, 2015.

### 28.1 Geographical information

**a. The Company is domiciled in India. The amount of its revenue from external customers broken down by location of customers in stated below:**

| Geography | For the year ended 31 March 2017 | For the year ended 31 March 2016 |
|---|---|---|
| | (Rs./Lacs) | (Rs./Lacs) |
| India | 74,635.00 | 72,355.57 |
| Outside India | - | - |
| | 74,635.00 | 72,355.57 |

**b. Information regarding geographical non-current assets is as follows:**

| Geography | As at 31 March, 2017 | As at 31 March, 2016 | As at 01 April, 2015 |
|---|---|---|---|
| | (Rs./Lacs) | (Rs./Lacs) | (Rs./Lacs) |
| India | 259,059.68 | 172,056.91 | 93,106.74 |
| Outside India | - | - | - |
| | 259,059.68 | 172,056.91 | 93,106.74 |

**c. Information about major customers**

No single customer contributed 10% or more to the Company's revenue during the years ended 31 March, 2017 and 31 March, 2016.

## Note 29: Earnings per share

Basic earnings per equity share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year.

| Particulars | For the year ended 31 March, 2017 (Rs./Lacs) | For the year ended 31 March. 2016 (Rs./Lacs) |
|---|---|---|
| Profit after tax (in Rs.) | 3,416.43 | 7,291.73 |
| Number of equity shares | 658,000,000 | 445,650,000 |
| Weighted average number of equity shares used in computing the basic and diluted earnings per share | 570,622,055 | 335,921,781 |
| Basic/diluted earnings per share of Rs. 10 each | 0.60 | 2.17 |
| Face value per share (in Rs.) | 10 | 10 |

## Note 30: Operating lease

The Company has entered into operating lease arrangements of business center for a period of 12 years. The lease agreement provides for an increase in lease charges by 12% in every 3 years. The last three years of the lease agreement are rent free. The minimum future lease payments during lease periods under the foregoing arrangements in the aggregate for each of the following periods is as follows:

| Particulars | For the year ended 31 March, 2017 | For the year ended 31 March, 2016 | For the year ended 1 April, 2015 |
|---|---|---|---|
| | (Rs./Lacs) | (Rs./Lacs) | (Rs./Lacs) |
| **Future Non-Cancellable minimum lease commitments** | | | |
| not later than one year | - | - | - |
| later than one year and not later than 5 years | - | - | - |
| later than five years | - | - | - |
| **Expenses recognised in the Statement of Profit and Loss** | | | |
| Minimum Lease Payments | 33.91 | 86.24 | 82.52 |

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**Note 31: Employee benefits**

The Company participates in defined contribution and benefit schemes, the assets of which are held (where funded) in separately administered funds.

For defined contribution schemes the amount charged to the statement of profit or loss is the total of contributions payable in the year.

**a Defined contribution plan**

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the Employees Provident Fund is deposited with the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.

The Company recognised Rs. 3.32 lacs (previous year Rs. 1.93 lacs) for Superannuation and provident fund contributions in the Statement of Profit and Loss. The contribution payable to the plan by the Company is at the rate specified in rules to the scheme. As at 31 March, 2017, contribution of Rs. 5.01 lacs (as at 31 March, 2016 Rs. 1.28 lacs) representing amount payable to the Employee Provident Fund in respect of FY 2016-17 (FY 2015-16) reporting period had not been paid to the plans. The amounts were paid subseqently to the end of respective reporting periods.

**b. Defined benefit plan – Gratuity plan**

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of thirty days salary (i.e. last drawn basic salary) for each completed year of service subject to completion of five years service.

**c. Principal actuarial assumptions:**

Principle actuarial assumption used to determine the present value of the benefit obligation are as follows:

| S. No. | Particulars | Refer note below | Year ended 31.03.2017 | Year ended 31.03.2016 |
|---|---|---|---|---|
| i. | Discount rate (p.a.) | 1 | 7.59% | 7.70% |
| ii. | Salary escalation rate (p.a.) | 2 | 6.50% | 6.50% |
| iii. | Estimate of amount of contribution in the immediate next year | Rs./Lacs | 10.08 | 2.24 |

**Notes**

1 The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.

2 The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

| | | March 31, 2017 | March 31, 2016 |
|---|---|---|---|
| **Demographic assumptions:** | | | |
| 1 | Retirement age | 58 Years | 58 years |
| 2 | Mortality rate (% of IALM 06-08) | 100% | 100% |
| 3 | Average Outstanding service of Employee upto retirement | 33 years | 33 years |
| 4 | No of Employees | 156 | 38 |

d. The following tables set out the amounts recognised in the Company's financial statements as at 31 March, 2017:

| | S. No. | Particulars | Year ended 31.03.2017 (Rs./Lacs) | Year ended 31.03.2016 (Rs./Lacs) |
|---|---|---|---|---|
| i | | **Change in benefit obligations:** | | |
| | A. | Present value of obligations at the beginning of year | 3.89 | 2.26 |
| | B | Current service cost | 9.61 | 2.21 |
| | C | Interest cost | 0.29 | 0.13 |
| | D | Actuarial gain/(loss) on obligation | 4.63 | 0.60 |
| | E | Benefits paid | (0.37) | (1.31) |
| | | **Present value of obligations at the end of the year (F=A+B+C+D+E)** | **18.05** | **3.89** |
| ii | | **Change in plan assets:** | | |
| | A | Fair value of plan assets at the beginning of year | - | - |
| | B | Actual return on plan assets | - | - |
| | C | Employer's contributions | - | - |
| | D | Benefits paid | - | - |
| | E | Actuarial gain / (Loss) | - | - |
| | | **Plan assets at the end of the year** | - | - |

| | | As at 31.03.2017 | As at 31.03.2016 |
|---|---|---|---|
| iii | **Net Liability/(surplus) (I-II)** | | |
| | Present value of defined benefit obligation | 18.05 | 3.89 |
| | Fair value of plan assets | - | - |
| | | **18.05** | **3.89** |

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| S. No. | Particulars | Year ended 31.03.2017 (Rs./Lacs) | Year ended 31.03.2016 (Rs./Lacs) |
|---|---|---|---|
| iv | **Expenses recognised in the Statement of Profit and Loss:** | | |
| A | Current service cost | 9.61 | 2.21 |
| B | Interest cost | 0.29 | 0.13 |
| | **Net charge/(credit) (E=A+B)** | **9.90** | **2.34** |

| S. No. | Particulars | Year ended 31.03.2017 | Year ended 31.03.2016 |
|---|---|---|---|
| | **Expenses recognised in the other comprehensive income:** | | |
| A | Acturial (gains)/losses due to change in demographic assumptions | - | - |
| B | Acturial (gains)/losses due to change in financial assumptions | 0.24 | 0.09 |
| C | Acturial (gains)/losses due to change in experience variance | 4.39 | 0.51 |
| D | Return on plan assets | - | - |
| | **Total** | **4.63** | **0.60** |

e. **Actuarial assumptions for long -term compensated absences**

i **Principal actuarial assumptions:**

| S. | Particulars | Refer note below | Year ended 31.03.2017 | Year ended 31.03.2016 |
|---|---|---|---|---|
| i | Discount rate (p.a.) | 1 | 7.59% | 7.70% |
| ii | Salary escalation rate (p.a.) | 3 | 6.50% | 6.50% |

Notes

1 The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.

2 The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

3 Gratuity plan is unfunded

**Table 12: Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**I . Changes in Defined benefit obligation due to 1% Increase/Decease in Discount Rate, if all other assumptions remain constant.**

| | Amount in Rs. In lacs | | |
|---|---|---|---|
| | **As at 31.03.2017** | **As at 31.03.2016** | **As at 1.04.2015** |
| a) Defined benefit obligation | 18.05 | 3.89 | 2.26 |
| b) Defined benefit obligation at 1% Increase in Discount rate | 14.71 | 3.25 | 1.91 |
| c) Defined benefit obligation at 1% Decrease in Discount rate | 22.39 | 4.72 | 2.71 |
| d) Decrease in Defined benefit obligation due to 1% Increase in discount rate. (a-b) | 3.34 | 0.65 | 0.36 |
| e) Increase in Defined benefit obligation due to 1% decrease in discount rate. (c-a) | 4.34 | 0.83 | 0.45 |

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**II . Changes in Defined benefit obligation due to 1% Increase/Decease in Expected rate of Salary Escalation, if all other assumptions remain constant.**

| | Amount in Rs. In lacs | | |
|---|---|---|---|
| | **As at 31.03.2017** | **As at 31.03.2016** | **As at 1.04.2015** |
| a) Defined benefit obligation | 18.05 | 3.89 | 2.26 |
| b) Defined benefit obligation at 1% Increase in Expected Salary Escalation rate | 22.29 | 4.70 | 2.71 |
| c) Defined benefit obligation at 1% Decrease in Expected Salary Escalation rate | 14.73 | 3.25 | 1.90 |
| d) Increase in Defined benefit obligation due to 1% increase in Expected Salary Escalation rate. (b-a) | 4.24 | 0.81 | 0.45 |
| e) Decrease in Defined benefit obligation due to 1% decrease in Expected Salary Escalation rate. (a-c) | 3.32 | 0.64 | 0.36 |

**III . Changes in Defined benefit obligation due to 1% Increase/Decease in Mortality Rate, if all other assumptions remain constant is negligible.**

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There is no change in the method of the valuation for the prior period. For change in assumptions please refer to Table 1 above, where assumptions for prior period, if applicable, are given.

**3. Risks associated with Plan Provisions**

Risks associated with the plan provisions are actuarial risks. These risks are:- (i) interest risk (discount rate risk), (ii) mortality risk and (iii) salary risk.

| | |
|---|---|
| Interest risk (discount rate risk) | A decrease in the bond interest rate (discount rate) will increase the plan liability |
| Mortality risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2006-08) ultimate table.<br><br>A change in mortality rate will have a bearing on the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future.Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability. |

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**Note 32 : Financial instruments**

**32.1 Capital Management**

The Company manages its capital to ensure that the entities in the Company will be able to continue as going concern while maximizing the return to shareholders and also complying with the ratios stipulated in the loan agreements through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in note 14 & 17 offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves, retained earnings and non-controlling interests as detailed in note 14 & 17).

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

**32.1.1 Gearing ratio**

The gearing ratio at the end of the reporting period was as follows: **(Rs./Lacs)**

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 | As at 1 April, 2015 |
|---|---|---|---|
| Debt | 140,482.44 | 128,652.62 | 52,374.57 |
| Less: Cash and bank balances | 1,379.70 | 1,889.02 | 2,031.37 |
| Net debt | 139,102.74 | 126,763.60 | 50,343.20 |
| Equity | 81,745.88 | 57,934.77 | 31,183.43 |
| Net debt to equity ratio | 1.70 | 2.19 | 1.61 |

**Notes:**

Debt is defined as long- and short-term borrowings (excluding derivative, financial guarantee contracts), as described in notes 14 and 17

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

**32.2 Categories of financial instruments**

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 | As at 1 April, 2015 |
|---|---|---|---|
| **Financial Assets** | **(Rs./Lacs)** | **(Rs./Lacs)** | **(Rs./Lacs)** |
| **Measured at fair value through profit or loss (FVTPL)** | | | |
| Derivative instruments in designated hedge accounting relationships | 114.18 | 285.68 | 27.06 |
| **Measured at Amortised cost** | | | |
| Loans (non-current) | - | 27,000.00 | - |
| Other financial assets (non-Current) | 169.55 | 163.40 | 162.40 |
| Trade receivables (Current) | 157.23 | 17.09 | - |
| Cash and cash equivalents | 1,379.70 | 1,889.02 | 2,031.37 |
| Loans (Current) | - | 9,875.00 | 0.27 |
| Other financial assets (Current) | 778.32 | 29.22 | 6.24 |
| **Financial Liabilities** | | | |
| **Measured at fair value through profit or loss (FVTPL)** | | | |
| Derivative instruments in designated hedge accounting relationships | 1,478.25 | 252.66 | 3.03 |
| **Measured at Amortised cost** | | | |
| Borrowings (non-current) | 101,482.39 | 75,782.96 | 52,374.57 |
| Other financial liabilities (non-current) | 90.75 | 35.75 | - |
| Borrowings (current) | 39,000.05 | 52,869.66 | - |
| Trade payables (current) | 451.61 | 73.56 | 46.73 |
| Other financial liabilities (current) | 27,068.38 | 19,569.63 | 8,281.67 |

**32.3 Financial risk management objectives**

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives.

The Corporate Treasury function reports quarterly to the company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

**32.4 Market risk**

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

- Cross currency swaps to hedge the exchange rate risk arising on the foreign currency borrowings
- Cross currency swaps to mitigate the risk of rising interest rates

There has been no change to the company's exposure to market risks or the manner in which these risks are managed and measured.

**32.5 Foreign currency risk management**

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts and/or cross currency swaps.

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

**(Rs./Lacs)**

| Particualrs | Liabilities | | | Assets | | |
|---|---|---|---|---|---|---|
| | As at 31 March, 2017 | As at 31 March, 2016 | As at 1 April, 2015 | As at 31 March, 2017 | As at 31 March, 2016 | As at 1 April, 2015 |
| USD | 32,145.65 | 14,361.17 | 5,524.18 | - | - | - |

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### 32.5.2 Foreign currency sensitivity analysis

The company is mainly exposed to the currency of United states.

Foreign exchange gain or loss duirng the year on fair valuation of borrowing as on 31 March 2016 has been capitalised during the year, therefore there is no impact on profit or equity for the current financial year.

The following table details the company's sensitivity to a 10% increase and decrease in the INR against the relevant foreign currency borrowing takan during the current financial year. 10% sensitivity indicates management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where Rupee appreciates 10% against the relevant currency. A negative number below indicates a decrease in profit or equity where the Rupee depreciates 10% against the relevant currency.

| Particulars | Year ended 31.03.2017 | | Year ended 31.03.2016 | | As at 31.03.2016 | |
|---|---|---|---|---|---|---|
| | INR strengthens by 10% | INR weakening by 10% | INR strengthens by 10% | INR weakening by 10% | INR strengthens by 10% | INR weakening by 10% |
| Profit or loss (see note (i) below) | 3,214.56 | (3,214.56) | - | - | - | - |
| Equity (see note (ii) below) | 139.74 | (139.74) | - | - | - | - |

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

**Notes:**

(i) This is mainly attributable to the exposure outstanding on USD payables in the Company as at the end of the reporting period.

(ii) This is as result of change in fair value of derivative instruments designated as hedge instruments in cash flow hedges.

### 32.6 Cross currency swap contracts

Under these swap contracts, the company agrees to exchange the difference between fixed interest amounts based on fuctional currency notional principal amounts and floating rate interest amounts calculated on agreed foreign currency notional principal amounts.Also the Company agrees to exchange difference between the functional currency notional principal amount and the amount calculated based on the spot exchange rates on the foreign currency notional principal amount on specified dates . Such contracts enable the company to mitigate the risk of changing interest rates and foreign exchange rates on the cash flows of issued foreign currency variable rate debt. The fair value of these swaps at the end of the reporting period is determined by discounting the future cash flows using the foreign currency and interest rate curves at the end of the reporting period and the credit risk inherent in these contracts.

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding at the end of the reporting period.

**Cash Flow hedge**

(Rs./Lacs)

| Particulars | Upto 1 year | 1 to 3 years | 3 to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| **Foreign currency (USD)** | | | | | |
| As at March 31, 2017 | - | 103.37 | 373.03 | - | 476.40 |
| As at March 31, 2016 | - | 10.00 | 221.93 | - | 231.93 |
| As at April 1, 2015 | - | - | 56.30 | - | 56.30 |
| **Average exchange rate** | | | | | |
| As at March 31, 2017 | - | 61.03 | 66.55 | - | |
| As at March 31, 2016 | - | 66.36 | 64.60 | - | |
| As at April 1, 2015 | - | - | 61.88 | - | |
| **Average contracted fixed interest rate** | | | | | |
| As at March 31, 2017 | - | 11.20% | 10.74% | - | |
| As at March 31, 2016 | - | 10.78% | 11.17% | - | |
| As at April 1, 2015 | - | | 10.57% | - | |
| **Notional principal value** | | | | | |
| As at March 31, 2017 | - | 6,308.88 | 24,826.12 | - | 31,134.99 |
| As at March 31, 2016 | - | 663.55 | 14,336.65 | - | 15,000.20 |
| As at April 1, 2015 | - | - | 3,483.58 | - | 3,483.58 |
| **Fair value assets (liabilities)** | | | | | |
| As at March 31, 2017 | - | (27.37) | (1,336.70) | - | (1,364.07) |
| As at March 31, 2016 | - | (12.91) | 45.93 | - | 33.02 |
| As at April 1, 2015 | - | - | 24.03 | - | 24.03 |
| **Weighted Average contracted exchange rate** | | | | | |
| As at March 31, 2017 | - | 61.03 | 66.55 | - | |
| As at March 31, 2016 | - | 66.36 | 64.60 | - | |
| As at April 1, 2015 | - | - | 61.88 | - | |

### 32.7 Interest rate risk

The interest rate swaps settle on a monthly basis. The floating rate on the interest rate swaps is the 6 months LIBOR plus spread rate. The company will settle the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the company's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

### 32.7.1 Interest rate risk management

The company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings.

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

### 32.7.2 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 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 profit for the year ended March 31, 2017 would decrease/increase by Rs. 0.984/- lacs (2016: decrease/increase by Rs. Nil). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings; and

The company's sensitivity to interest rates has increased during the current year mainly due to the increase in variable rate debt instruments and the increase in interest rate swaps to swap floating rate debt to fixed rate debt.

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**38.8 Other price risks**

The Company is exposed to equity price risks arising from equity investments which is not material.

**32.9 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 Management of the Company believes that the credit risk is negligible since it has adopted a policy of only dealing with creditworthy counterparties.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

**32.10 Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short, medium, and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**33.10.1 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.

(Rs./Lacs)

| Particulars | Weighted average effective interest rate | 0-1 year | 1-3 years | 3-5 years | 5+ years | Total | Carrying Amount |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| **Non-interest bearing** | | | | | | | |
| Trade payables | - | 451.61 | - | - | - | 451.61 | 451.61 |
| Other financial liabilities | - | 27,068.38 | - | - | 90.75 | 27,159.13 | 27,159.13 |
| **Variable interest rate instruments** | | | | | | | |
| Borrowings | 8.36% | 8,815.00 | 17,650.43 | 20,108.25 | 168,729.49 | 215,303.17 | 101,482.39 |
| **Fixed interest rate instruments** | | | | | | | |
| Borrowings | 9.01% | 41,015.69 | - | - | - | 41,015.69 | 39,000.05 |
| | | | | | | | |
| **March 31, 2016** | | | | | | | |
| **Non-interest bearing** | | | | | | | |
| Trade payables | | 73.56 | - | - | - | 73.56 | 73.56 |
| Other financial liabilities | | 19,569.63 | - | - | 35.75 | 19,605.38 | 19,605.38 |
| **Variable interest rate instruments** | | | | | | | |
| Borrowings | 9.74% | 7,594.53 | 15,400.03 | 16,005.87 | 143,598.00 | 182,598.43 | 52,374.57 |
| **Fixed interest rate instruments** | | | | | | | |
| Borrowings | 13.68% | 59,567.14 | - | - | - | 59,567.14 | 52,869.66 |
| | | | | | | | |
| **April 1, 2015** | | | | | | | |
| **Non-interest bearing** | | | | | | | |
| Trade payables | | 46.73 | - | - | - | 46.73 | 46.73 |
| Other financial liabilities | | 8,281.67 | - | - | - | 8,281.67 | 8,281.67 |
| **Variable interest rate instruments** | | | | | | | |
| Borrowings | 10.80% | 4,545.87 | 12,036.67 | 12,130.45 | 113,442.69 | 142,155.68 | 52,374.57 |
| **Fixed interest rate instruments** | | | | | | | |
| Borrowings | | - | - | - | - | - | - |

As on 31 March 2016 and 1 April 2015, term loans from banks in Indian Rupees and financial institutions foreign currency and Loan is to be repaid in 60 unequal quarterly instalments after the end of the principal moratorium period (i.e. 2 years & 6 months from actual commercial operation date).

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

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

(Rs./Lacs)

| Particulars | Weighted average effective interest rate | 0-1 year | 1-3 years | 3-5 years | 5+ years | Total | Carrying Amount |
|---|---|---|---|---|---|---|---|
| **March 31, 2017** | | | | | | | |
| **Non-interest bearing** | | | | | | | |
| Trade receivables | | 157.23 | - | - | | 157.23 | 157.23 |
| Other financial assets | | 778.32 | - | - | 169.55 | 947.87 | 947.87 |
| **Fixed interest rate instruments** | | | | | | | |
| Loans | | - | - | - | - | - | |
| | | | | | | | |
| **March 31, 2016** | | | | | | | |
| **Non-interest bearing** | | | | | | | |
| Trade receivables | | 17.09 | - | - | | 17.09 | 17.09 |
| Other financial assets | | 29.22 | - | - | 163.40 | 192.62 | 192.62 |
| **Fixed interest rate instruments** | | | | | | | |
| Loans | 16.07% | 11,475.29 | 31,387.94 | - | - | 42,863.23 | 36,875.00 |
| | | | | | | | |
| **April 1, 2015** | | | | | | | |
| **Non-interest bearing** | | | | | | | |
| Trade receivables | | - | - | - | - | - | |
| Other financial assets | | 6.24 | - | - | 162.40 | 168.64 | 168.64 |
| **Fixed interest rate instruments** | | | | | | | |
| Loans | | 0.27 | - | - | - | - | 0.27 |

As on 31 March 2016 and 1 April 2015, term loans from banks in Indian Rupees and financial institutions foreign currency and Loan is to be repaid in 60 unequal quarterly instalments after the end of the principal moratorium period (i.e. 2 years & 6 months from actual commercial operation date).

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

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The following table details the company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

| Particulars | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|---|---|---|---|
| | Interest rate cross currency swaps | Interest rate cross currency swaps | Interest rate cross currency swaps |
| | (Rs./Lacs) | (Rs./Lacs) | (Rs./Lacs) |
| Upto 1 year | | | |
| 1-3 years | (27.37) | (12.91) | |
| 3-5 years | (1,336.70) | 45.93 | 24.03 |
| More than 5 years | | | |

**32.10 Fair value measurements**

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

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

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

| Financial assets/ financial liabilities | Fair value | | | Fair value hierarchy | Valuation technique(s) and key input(s) |
|---|---|---|---|---|---|
| | As at 31 March, 2017 | As at 31 March, 2016 | As at 1 April, 2015 | | |
| | (Rs./Lacs) | (Rs./Lacs) | (Rs./Lacs) | | |
| Cross currency swaps and interest rate swaps designated in hedge accounting relationships (refer note 6 & 15) | Assets - Rs. 114.18; Liabilities Rs. 1,478.25 | Assets - Rs. 285.68; Liabilities Rs. 252.66 | Assets - Rs. 27.06; Liabilities Rs. 3.03 | Level 2 | Discounted cash flow. Future cash flows are estimated based on forward exchange rates and forward interest rates (from observable forward exchange rates and observable yield curves at the end of the reporting period) and contract forward rates and and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties. |

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

Except derivative instruments (cross currency swap) (refer note 16), the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

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**33. Related party transactions**

The Company's material related party transactions and outstanding balances are with whom the Company routinely enters into transactions in the ordinary course of business.

**A.** Name of the related parties and nature of relationship (With whom the Company has transactions during the year):

| | |
|---|---|
| Holding Company: | IL&FS Rail Limited (IRL)<br>IL&FS Transportation Networks Limited (ITNL) |
| Ultimate Holding Company: | Infrastructure Leasing & Financial Services Limited (IL&FS) |
| Fellow Subsidiary Companies: | IL&FS Financial Services Limited (IFIN)<br>IL&FS Trust Company Limited (ITCL) (upto 30 March, 2016)<br>Rapid Metrorail Gurgaon Limited (RMGL)<br>IL&FS Global Financial Services (UK) Limited<br>Moradabad Barellly Expressway Limited<br>ITNL Road Infrastructure Development Company Limited |
| Jointly Controlled entity: | Thiruvananthapuram Road Development Company Limited |

| Particulars | Holding / Ultimate Holding Company | Fellow subsidiary | Jointly Controlled entity |
|---|---|---|---|
| **B. Transactions during the year:** | | | |
| **Shares capital issued** | | | |
| IL&FS Transportation Networks Limited | 7,432.25<br>(6,811.00) | -<br>(-) | -<br>(-) |
| IL&FS Rail Limited | 13,802.75<br>(12,649.00) | -<br>(-) | -<br>(-) |
| **Operating Expenses** | | | |
| IL&FS Rail Limited | 2.55<br>(0.74) | -<br>(-) | -<br>(-) |
| Rapid Metrorail Gurgaon Limited | -<br>(-) | 26.21<br>(12.52) | -<br>(-) |
| **Construction and development expenses (CWIP)** | | | |
| Infrastructure Leasing & Financial Services Limited | 31.25<br>(8.50) | -<br>(-) | -<br>(-) |
| IL&FS Rail Limited | 31.99<br>(22.95) | -<br>(-) | -<br>(-) |
| IL&FS Transportation Networks Limited (ITNL) | 51,892.56<br>(61,263.06) | -<br>(-) | -<br>(-) |
| IL&FS Trust Company Limited (ITCL) | -<br>(-) | -<br>(2.27) | -<br>(-) |
| Rapid Metrorail Gurgaon Limited (RMGL) | -<br>(-) | 67.41<br>(217.23) | -<br>(-) |
| **Short term loan taken** | | | |
| IL&FS Financial Services Limited | -<br>(-) | 600.00<br>(64,500.00) | -<br>(-) |
| IL&FS Transportation Networks Limited | 3,000.00<br>(-) | -<br>(-) | -<br>(-) |
| **Short term loan repaid** | | | |
| IL&FS Financial Services Limited | -<br>(-)<br>(-) | 37,475.00<br>(27,625.00)<br>(-) | -<br>(-)<br>(-) |
| **Interest expense** | | | |
| IL&FS Transportation Networks Limited (ITNL) | 17.42<br>(-) | -<br>(-) | -<br>(-) |
| IL&FS Financial Services Limited | -<br>(-) | 5,799.62<br>(170.71) | -<br>(-) |

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| Particulars | Holding / Ultimate Holding Company | Fellow subsidiary | Jointly Controlled entity |
|---|---|---|---|
| **Interest income** | | | |
| IL&FS Transportation Networks Limited | 1,003.71<br>(167.35) | -<br>(-) | -<br>(-) |
| Moradabad Bareilly Expressway Limited | -<br>(-) | 1,600.29<br>(8.79) | -<br>(-) |
| ITNL Road Infrastructure Development Company Limited | -<br>(-) | 2,461.37<br>(-) | (-)<br>(-) |
| Thiruvananthapuram Road Development Company Limited | -<br>(-) | -<br>(-) | 920.55<br>(-) |
| **Short term loans and advances given** | | | |
| IL&FS Transportation Networks Limited | 600.00<br>(64,500.00) | -<br>(-) | -<br>(-) |
| Moradabad Bareilly Expressway Ltd. | -<br>- | -<br>(9,875.00) | -<br>(-) |
| ITNL Road Infrastructure Development Company Limited | -<br>(-) | 20,000.00<br>(-) | -<br>(-) |
| Thiruvananthapuram Road Development Company Limited | -<br>(-) | -<br>(-) | 7,500.00<br>(-) |
| **Short term loans and advances received back** | | | |
| IL&FS Transportation Networks Limited | 27,600.00<br>(37,500.00) | -<br>(-) | -<br>(-) |
| ITNL Road Infrastructure Development Company Limited | -<br>(-) | 20,000.00<br>(-) | -<br>(-) |
| Thiruvananthapuram Road Development Company Limited | -<br>(-) | -<br>(-) | 7,500.00<br>(-) |
| Moradabad Bareilly Expressway Limited | -<br>(-) | 9,875.00<br>(-) | -<br>(-) |
| **Capital advance given/(adjusted)** | | | |
| IL&FS Transportation Networks Limited | (255.45)<br>(-2,117.37) | -<br>(-) | -<br>(-) |

**Notes:**
The figures in brackets represent transactions for the previous year.

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| Particulars | | Holding / Ultimate Holding Company | Fellow subsidiary | Jointly Controlled entity |
|---|---|---|---|---|
| **c. Balances at year end** | | | | |
| **Other current liabilities** | | | | |
| IL&FS Transportation Networks Limited | As at 31.03.2017 | 9,043.63 | - | - |
| | (As at 31.03.2016) | (16,035.10) | (-) | (-) |
| | (As at 1.04.2015) | (6,589.90) | (-) | (-) |
| Infrastructure Leasing & Financial Services Limited | As at 31.03.2017 | 4.17 | - | - |
| | (As at 31.03.2016) | (2.46) | (-) | (-) |
| | (As at 1.04.2015) | (0.27) | (-) | (-) |
| Rapid Metrorail Gurgaon Limited (RMGL) | As at 31.03.2017 | - | 34.59 | - |
| | (As at 31.03.2016) | - | (203.42) | (-) |
| | (As at 1.04.2015) | (-) | (-) | (-) |
| IL&FS Rail Limited | As at 31.03.2017 | 33.37 | - | - |
| | (As at 31.03.2016) | (71.61) | (-) | (-) |
| | (As at 1.04.2015) | (-) | (-) | (-) |
| **Interest accrued but not due (Assets)** | | - | - | - |
| IL&FS Transportation Networks Limited | As at 31.03.2017 | - | - | - |
| | (As at 31.03.2016) | (21.30) | (-) | (-) |
| | (As at 1.04.2015) | (-) | (-) | (-) |
| Moradabad Bareilly Expressway Limited | As at 31.03.2017 | - | - | - |
| | (As at 31.03.2016) | (-) | (7.91) | (-) |
| | (As at 1.04.2015) | (-) | (-) | (-) |
| ITNL Road Infrastructure Development Company Limited | As at 31.03.2017 | - | 778.32 | - |
| | (As at 31.03.2016) | (-) | (-) | (-) |
| | (As at 1.04.2015) | (-) | (-) | (-) |
| **Interest accrued but not due (liability)** | | | | |
| IL&FS Transportation Networks Limited | As at 31.03.2017 | 15.68 | - | - |
| | (As at 31.03.2016) | (-) | (-) | (-) |
| | (As at 1.04.2015) | (-) | (-) | (-) |
| **Interest accrued and due (liability)** | | | | |
| IL&FS Financial Services Limited | As at 31.03.2017 | - | 704.94 | - |
| | (As at 31.03.2016) | (-) | (-) | (-) |
| | (As at 1.04.2015) | (-) | (-) | (-) |
| **Loans and advances** | | | | |
| IL&FS Transportation Networks Limited | As at 31.03.2017 | - | - | - |
| | (As at 31.03.2016) | (27,000.00) | (-) | (-) |
| | (As at 1.04.2015) | (-) | (-) | (-) |
| Moradabad Bareilly Expressway Limited | As at 31.03.2017 | - | - | - |
| | (As at 31.03.2016) | - | (9,875.00) | (-) |
| | (As at 1.04.2015) | (-) | (-) | (-) |
| **Capital Advances** | | | | |
| IL&FS Transportation Networks Limited | As at 31.03.2017 | 42.90 | - | - |
| | (As at 31.03.2016) | (298.35) | (-) | (-) |
| | (As at 1.04.2015) | (2,415.73) | (-) | (-) |

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| Particulars | | Holding / Ultimate Holding Company | Fellow subsidiary | Jointly Controlled entity |
|---|---|---|---|---|
| **Short term borrowings** | | | | |
| IL&FS Financial Services Limited | As at 31.03.2017 | | | |
| | (As at 31.03.2016) | (-) | (36,875.00) | (-) |
| | (As at 1.04.2015) | (-) | (-) | (-) |
| IL&FS Transportation Networks Limited | As at 31.03.2017 | 3,000.00 | - | - |
| | (As at 31.03.2016) | (-) | (-) | (-) |
| | (As at 1.04.2015) | (-) | (-) | (-) |
| **Share Capital** | | | | |
| IL&FS Transportation Networks Limited | As at 31.03.2017 | 23,030.00 | - | - |
| | (As at 31.03.2016) | (15,597.75) | (-) | (-) |
| | (As at 1.04.2015) | (8,786.75) | (-) | (-) |
| IL&FS Rail Limited | As at 31.03.2017 | 42,769.99 | - | - |
| | (As at 31.03.2016) | (28,967.24) | (-) | (-) |
| | (As at 1.04.2015) | (16,318.24) | (-) | (-) |
| **Guarantees received** | | | | |
| IL&FS Rail Limited | As at 31.03.2017 | 5,000.00 | - | - |
| | (As at 31.03.2016) | (5,000.00) | (-) | (-) |
| | (As at 1.04.2015) | (5,000.00) | (-) | (-) |

Notes:
The figures in brackets represent transactions for the previous year.

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### 34. Contingent liabilities & Commitments

| | Particulars | As at 31.03.2017 (Rs./Lacs) | As at 31.03.2016 (Rs./Lacs) | As at 1.04.2015 (Rs./Lacs) |
|---|---|---|---|---|
| (a) | Commitments | - | 64,846.82 | 96,993.45 |
| | Estimated amount of contracts remaining on capital account and not provided for [Net of advances paid of Rs. 42.90 lacs (Previous year Rs. 298.35 lacs); (As at 1 April, 2015 Rs. 2,415.73 lacs)] | | | |
| (b) | Connectivity chargees (Net of accrued liability Rs. 5.84 lacs) As at 31 March, 2016 Rs. Nil, 1 April, 2015 Rs. Nil) | 199,994.16 | 200,000.00 | 200,000.00 |

**Note**

In terms of the Concession Contract , the Company is required to pay connectivity charges of Rs. 100 crores per year from the beginning of the 16th year of the signing of the concession agreement till 35th year i.e for 20 years totalling to Rs. 2000 crores.

**(c)** The Company does not have any pending litigations which would impact its financial position.

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

**(e)** There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

### 35. Concession contract

The Company has entered into a Concession Contract with Haryana Urban Development Authority (HUDA) on 3 January, 2013 for development of Metro Rail Project from Sikanderpur Station to Sector 56 in Gurgaon ('the Project'). As per the terms of the Contract, the Company accepts the concession for a period of 98 years commencing from the effective date, to develop and operate the Project, which at the end of the concession period must be returned in the stipulated condition to grantor of the concession. In consideration of having designed, constructed, operated and maintained the Metro Rail Project, the Company is entitled to charge fare to the users of Metro rail besides other revenue from ancillary commercial activities.

The Commercial operations of the metro rail project has commenced from 31 March, 2017. Under the concession contract, the Company has received the right to collect revenue from passenger fares, advertisement income and property development within the project. Such rights are recognised and classified as intangible assets and recorded at actual cost.

The Company is required to pay connectivity charges of Rs. 200,000. lacs to HUDA for providing connectivity from Sikanderpur metro station to Sector 56, Gurgaon. The amount of connectivity charge is recognised in the Statement of Profit and Loss on a straight line basis over the balance concession period (i.e concession period less period spent during construction/development of the project).

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**36. First-time Ind AS adoption reconciliations**

**36.1 Effect of Ind AS adoption on the balance sheet as at 31 March, 2016 and 1 April, 2015**

(Rs./Lacs)

| Particulars | Notes | As at 31 March, 2016 Previous GAAP | As at 31 March, 2016 Effect of Transition to Ind AS | As at 31 March, 2016 As per Ind AS balance sheet | As at 1 April, 2015 Previous GAAP | As at 1 April, 2015 Effect of Transition to Ind AS | As at 1 April, 2015 As per Ind AS Balance sheet |
|---|---|---|---|---|---|---|---|
| **Non-current assets** | | | | | | | |
| Property, plant and equipment | | 33.92 | - | 33.92 | 41.83 | - | 41.83 |
| Intangible assets under development | 1 | 156,957.75 | 14,688.50 | 171,646.25 | 84,747.47 | 5,893.91 | 90,641.38 |
| Financial assets | | | | | | | |
| (i) Loans | | 27,000.00 | - | 27,000.00 | - | - | - |
| (ii) Other financial assets | 4 | 163.40 | 285.68 | 449.08 | 162.40 | 27.06 | 189.46 |
| Income tax assets | | 30.74 | - | 30.74 | 4.52 | - | 4.52 |
| Other Non-current assets | | 346.00 | - | 346.00 | 2,419.01 | - | 2,419.01 |
| | | **184,531.81** | **14,974.18** | **199,505.99** | **87,375.23** | **5,920.97** | **93,296.20** |
| **Current assets** | | | | | | | |
| Inventories | | | | | | | |
| Financial assets | | | | | | | |
| (i) Trade receivables | | 17.09 | - | 17.09 | - | - | - |
| (ii) Cash and cash equivalents | | 1,889.02 | - | 1,889.02 | 2,031.37 | - | 2,031.37 |
| (iii) Loans | | 9,875.00 | - | 9,875.00 | 0.27 | - | 0.27 |
| (iv) Other financial assets | | 29.22 | - | 29.22 | 6.24 | - | 6.24 |
| Other current assets | | 80.48 | - | 80.48 | 93.68 | - | 93.68 |
| | | **11,890.81** | **-** | **11,890.81** | **2,131.56** | **-** | **2,131.56** |
| **Total assets** | | **196,422.62** | **14,974.18** | **211,396.80** | **89,506.79** | **5,920.97** | **95,427.76** |
| **Particulars** | | | | | | | |
| **Equity** | | | | | | | |
| Equity share capital | | 44,565.00 | - | 44,565.00 | 25,105.00 | - | 25,105.00 |
| Other equity | | (381.36) | 13,751.13 | 13,369.77 | (315.74) | 6,394.17 | 6,078.43 |
| **Total equity** | | **44,183.64** | **13,751.13** | **57,934.77** | **24,789.26** | **6,394.17** | **31,183.43** |
| **Non-current liabilities** | | | | | | | |
| Financial liabilities | | | | | | | |
| (i) Borrowings | 2 | 79,065.20 | (3,282.24) | 75,782.96 | 56,130.09 | (3,755.52) | 52,374.57 |
| (ii) Other financial liabilities | 4 | 35.75 | 252.66 | 288.41 | - | 3.03 | 3.03 |
| Provisions | | 2.16 | - | 2.16 | 2.80 | - | 2.80 |
| Deferred Tax liabilities (net) | 3 | - | 4,252.63 | 4,252.63 | - | 3,279.29 | 3,279.29 |
| | | **79,103.11** | **1,223.05** | **80,326.16** | **56,132.89** | **(473.20)** | **55,659.69** |
| **Current liabilities** | | | | | | | |
| Financial liabilities | | | | | | | |
| (i) Borrowings | | 52,869.66 | - | 52,869.66 | - | - | - |
| (ii) Trade payables | | 73.56 | - | 73.56 | 46.73 | - | 46.73 |
| (iii) Other financial liabilities | | 19,569.63 | - | 19,569.63 | 8,281.67 | - | 8,281.67 |
| Provisions | | 5.03 | - | 5.03 | 1.09 | - | 1.09 |
| Other current liabilities | | 617.99 | - | 617.99 | 255.15 | - | 255.15 |
| | | **73,135.87** | **-** | **73,135.87** | **8,584.64** | **-** | **8,584.64** |
| **Total liabilities** | | **152,238.98** | **1,223.05** | **153,462.03** | **64,717.53** | **(473.20)** | **64,244.33** |
| **Total equity and liabilities** | | **196,422.62** | **14,974.18** | **211,396.80** | **89,506.79** | **5,920.97** | **95,427.76** |

**36.1 Reconciliation of total equity as at 31 March, 2016 and 1 April, 2015**

(Rs./Lacs)

| | Notes | As at 31 March, 2016 | As at 1 April, 2015 |
|---|---|---|---|
| **Total equity (shareholders funds) under previous GAAP** | | | |
| Share capital | | 44,565.00 | 25,105.00 |
| Reserves and surplus | | (381.36) | (315.74) |
| | | **44,183.64** | **24,789.26** |
| **Adjustments:** | | | |
| Adjustment for mark to market against swaps | 4 | 33.02 | 24.03 |
| Margin on Service concession arrangements | 1 | 14,688.50 | 5,893.91 |
| Deferred tax liability | 3 | (4,252.63) | (3,279.29) |
| Adjustment of finance cost | 2 | 3,282.24 | 3,755.52 |
| **Total adjustment to equity** | | **13,751.13** | **6,394.17** |
| **Total equity under Ind AS** | | | |
| Equity share capital | | 44,565.00 | 25,105.00 |
| Other equity | | 13,369.77 | 6,078.43 |
| | | **57,934.77** | **31,183.43** |

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### 36.2 Effect of Ind AS Adoption on the Statement of Profit and Loss for the year ended 31 March, 2016

(Rs./Lacs)

| | Notes | Year ended 31 March, 2016 | | |
|---|---|---|---|---|
| | | Previous GAAP | Effect of transition to Ind AS | Ind AS |
| Revenue from operations | 1 | 24.15 | 72,331.42 | 72,355.57 |
| Other income | 4 | 215.26 | 9.00 | 224.26 |
| **Total Income** | | **239.41** | **72,340.42** | **72,579.83** |
| Construction costs | | - | - | |
| Operating expenses of Service Concession Arrangements | 1 | - | 64,010.11 | 64,010.11 |
| Employee benefits expense | 5 | 29.51 | (0.60) | 28.91 |
| Finance costs | | 170.71 | - | 170.71 |
| Depreciation and amortisation expense | | 8.68 | - | 8.68 |
| Other expenses | | 96.13 | - | 96.13 |
| **Total expenses** | | **305.03** | **64,009.51** | **64,314.54** |
| **Profit before tax** | | **(65.62)** | **8,330.91** | **8,265.29** |
| **Tax expense** | | | | |
| Current tax | | - | - | - |
| Deferred tax | 3 | - | 973.56 | 973.56 |
| **Total tax expense** | | **-** | **973.56** | **973.56** |
| **Profit for the year** | | **(65.62)** | **7,357.35** | **7,291.73** |
| **Other comprehensive income** | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| - Remeasurements of the defined benefit plans | 5 | - | (0.60) | (0.60) |
| Income tax relating to items that will not be reclassified to profit and loss | | - | 0.21 | 0.21 |
| **Total other comprehensive income** | | - | (0.39) | (0.39) |
| **Total comprehensive income for the year** | | **(65.62)** | **7,356.96** | **7,291.34** |

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

| | Notes | (Rs./Lacs) Year ended 31 March, 2016 |
|---|---|---|
| **Profit /(Loss) as per previous GAAP** | | **(65.62)** |
| Adjustment for mark to market against Interest rate swaps and cross currency swaps | 4 | 9.00 |
| Impact of accounting of Service concession arrangement under Ind AS 11 Appendix A | 1 | 8,321.31 |
| Deferred tax adjustment | 3 | (973.56) |
| Remeasurements of the defined benefit plans taken to other comprehensive income | | 0.60 |
| **Total effect of transition to Ind AS** | | **7,357.35** |
| **Profit for the year as per Ind AS** | | **7,291.73** |
| Other comprehensive income for the year | | (0.39) |
| **Total comprehensive income under Ind AS** | | **7,291.34** |

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

(Rs./Lacs)

| | Year ended 31 March, 2016 | | |
|---|---|---|---|
| | **Previous GAAP** | **Effect of Transition to Ind AS** | **As per Ind AS balance sheet** |
| Net Cash flows from operating activities | 252.55 | 8,321.06 | 8,573.61 |
| Net Cash flows from investing activities | (95,488.97) | (8,794.32) | (104,283.29) |
| Net Cash flows from financing activities | 95,094.07 | 473.26 | 95,567.33 |
| **Net decrease in cash and cash equivalents** | (142.35) | - | (142.35) |
| Cash and Cash equivalents at the beginning of the year | 2,031.37 | - | 2,031.37 |
| **Cash and Cash equivalents at the end of the year** | **1,889.02** | - | **1,889.02** |

**36.5 Analysis of cash and cash equivalents as at 31 March, 2016 and as at 1 April, 2015 for the purposes of statement of cash flow under Ind AS**

(Rs./Lacs)

| | As at 31 March, 2016 | As at 1 April, 2015 |
|---|---|---|
| Cash and Cash equivalents for the purposes of statement of cash flows as per previous GAAP | 1,889.02 | 2,031.37 |
| **Cash and Cash equivalents for the purpose of statement of cash flows under Ind AS** | **1,889.02** | **2,031.37** |

**Notes to the reconciliaiton**

1 Under the previous GAAP, the Company measured the intangible asset / intangible asset under development in respect of the rail project at cost less accumulated depreciation and accumulated impairment loss. The cost comprised the direct and attributable expenses for the construction of the rail project. Under Ind AS, the Company has accounted for the service concession arrangement in accordance with Appendix A to Ind AS 11 Service Concession Arrangements. In accordance with the principles in this Appendix, the Company is treated as a service provider for the construction services. Consequently, the Company has recognised construction cost and construction revenue in accordance with the Ind AS 11 principles. The construction revenue is measured at fair value of the construction services rendered. Since the Company has a right to charge the users of the rail project, it has recognised an intangible asset in exchange for the construction services. This intangible asset is amortised starting from the date when the project is complete in all respects and the Company receives the final completion certificate from the authority. The net effect of this is an increase in total equity as at March 31, 2016 of Rs. 14,688.50 lacs, increase as at April 1, 2015 of Rs. 5,893.91 lacs, and an decrease in loss for the year ended March 31, 2016 of Rs. 8,321.31 lacs.

2 Under the previous GAAP, the borrowings were measured at the transaction amount. Interest and incidental costs in relation to borrowings were capitalised to the intangible assets under development when incurred. Further, for borrowings other than those taken to finance the construction of a qualifying asset, the incidental expenses were amortised over the period of the borrowings. The unamortised portion was reflected under other assets. Under Ind AS, borrowings have been measured at amortized cost which requires that the incidental expenses are recognised over the period of the borrowings using the effective interest rate method. The amortisation of incidental expenses till the capitalisation of the intangible asset is added to the cost of the intangible asset. The balance amortisation after the capitalisation of the intangible asset is recognised as a finance cost in profit or loss. The net effect of this is a increase in total equity as at March 31, 2016 of Rs. 3282.24l (as at April 1, 2015 of Rs. 3755.52), and an increase in loss for the year ended March 31, 2016 of Rs. Nil.

3 Under the previous GAAP, deferred taxes were recognised for the tax effect of timing differences i.e. for the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Under Ind AS, deferred taxes are accounted using the temporary differences approach - by considering the differences between the tax base and the book base of all the assets and liabilities. Consequently, the deferred taxes account of pertaining to construction margins and intangible assets have been recognised. The net effect of this is a decrease in total equity as at March 31, 2016 Rs. 4,252.63 lacs (decrease as at April 1, 2015 of Rs. 3,279.28 lacs) and a increase in loss for the year ended March 31, 2016 of Rs. 973.56 lacs.

4 Under the previous GAAP, the exchange differences on principal swap contracts were recognised in profit or loss in the period in which such differences arose. Under Ind AS, all derivatives including forward exchange contracts are fair valued through profit or loss. The net effect of this is a decrease in total equity as at March 31, 2016 by Rs. 33.02 lacs (Rs. 24.03 lacs as at April 1, 2015) and a decrease in loss for the year ended March 31, 2016 by Rs. 9.00 lacs.

5 Under Previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of re-measurement of net defined benefit liability which is recognised in other comprehensive income in the respective years'. This difference has resulted in increase in net profit of Rs. 0.60 lacs for the year ended 31, March, 2016. However, the same does not result in difference in equity or total comprehensive income.

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**37 Approval of financial statements**

The financial statements for the year ended 31 March, 2017 were approved by the Board of Directors and authorise for issue on 10 May, 2017.

**For and on behalf of Board of Directors**

**Rajiv Banga**
Managing Director
(DIN-02093324)

**Rameshwar Lal Kabra**
Director
(DIN-00165612)

**Rajnesh Khurana**
Chief Financial Officer

**Shikha Sachdeva**
Company Secretary

Place: Mumbai
Date: 10 May, 2017

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