

SPECIAL PURPOSE FINANCIAL STATEMENTS
I IPL USA LLC
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note No	Equivalent ₹	
		As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current Assets			
(a) Property, plant and equipment	4	77,336,569	21,848,457
(b) Intangible assets	4	1,967,353	2,639,510
(c) Financial assets			
Other financial assets	7	5,283,130	1,228,083
Total Non-current Assets		84,587,052	25,716,050
Current Assets			
(a) Inventories	8	17,745,201	-
(b) Financial assets			
(i) Trade receivables	5	55,496,529	-
(ii) Cash and cash equivalents	9	293,422,073	45,684,370
(iii) Other financial assets	7	8,859,852	3,174,809
(c) Other current assets	10	18,453,138	2,162,007
Total Current Assets		393,976,793	51,021,186
Total Assets		478,563,845	76,737,236
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	940,186,802	381,595,300
(b) Other Equity	11	(601,192,097)	(315,227,458)
Total Equity		338,994,705	66,367,842
LIABILITIES			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	36,295,188	-
Total Non-current Liabilities		36,295,188	-
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	21,139,333	-
(ii) other financial liabilities	15	22,681,580	657,678
(iii) Trade payables	16	33,778,357	3,600,617
(b) Provisions	13	3,727,863	4,765,504
(c) Other current liabilities	14	21,946,819	1,345,595
Total Current Liabilities		103,273,951	10,369,394
Total Liabilities		139,569,140	10,369,394
Total Equity and Liabilities		478,563,845	76,737,236

Notes 1 to 31 forms part of the special purpose financial statements.

In terms of our report attached.
For SRBC & CO
Chartered Accountants
(Firm's Registration No. 324982E/E300003)

For and on behalf of the Board

Nishant Mankodi
Partner
Mumbai
Date :

Director
Date :

Director

SPECIAL PURPOSE FINANCIAL STATEMENTS
IPL USA LLC
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Equivalent ₹

Particulars	Note No	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from Operations	17	575,017,589	104,743,526
Other income	18	614,664	1,258,607
Total Income		575,632,253	106,002,134
Expenses			
Operating expenses	19	573,688,740	88,400,851
Employee benefits expense	20	181,033,536	84,279,466
Finance costs	21	8,986,806	1,678,174
Depreciation and amortisation expense	22	15,014,277	1,797,380
Other expenses	23	81,283,239	80,631,607
Total expenses		860,006,598	256,787,478
Loss before tax		(284,374,345)	(150,785,345)
Less: Tax expense			
Current tax		-	-
Loss for the year		(284,374,345)	(150,785,345)
Other Comprehensive Loss			
A (ii) Income tax relating to items that will not be reclassified to profit or loss			
<u>(i) Items that may be reclassified to profit or loss</u>			
Exchange differences in translating the financial statements of foreign operations including the gain / loss on related hedging instrument		(1,590,294)	83,596
Total other comprehensive (loss)/income		(1,590,294)	83,596
Total comprehensive loss for the year		(285,964,639)	(150,701,749)
Earnings per equity share :(of USD 1/- each) Basic & Diluted (in Rs.)	24	(35.12)	(27.38)

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(Firm's Registration No. 324982E/E300003)

For and on behalf of the Board

Nishant Mankodi

Partner

Mumbai

Date :

Director

Date :

Director

SPECIAL PURPOSE FINANCIAL STATEMENTS
IPL USA LLC
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Equivalent ₹

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Cash flows from operating activities		
Loss for the year	(284,374,345)	(150,785,345)
<u>Adjustments for:</u>		
Provision for doubtful debt	-	1,678,174
Depreciation and amortisation of non-current assets (continuing operations)	(15,014,277)	1,797,380
Impairment loss of financial assets	-	-
Interest income	(78,065)	(1,086,215)
Operating Loss before working capital changes	(299,466,687)	(148,396,006)
(Decrease)/Increase in Current Assets and Non Current Assets	(99,912,329)	6,841,936
Increase in Non Current Liabilities and Current Liabilities	56,657,031	4,486,999
	(43,255,299)	11,328,935
Cash used in operations	(342,721,986)	(137,067,071)
Income taxes paid	-	-
Net cash used in operating activities (A)	(342,721,986)	(137,067,071)
Cash flows from investing activities		
Interest received	78,065	1,086,215
Payments for acquiring tangible assets	(40,088,163)	(28,286,732)
Payments for acquiring intangible assets	-	-
Net cash used in investing activities (B)	(40,010,098)	(27,200,517)
Cash flows from financing activities		
Proceeds from Issue of Shares	558,591,502	63,245,600
Proceeds from borrowings	73,380,375	-
Net cash generated from financing activities (C)	631,971,877	63,245,600
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	249,239,794	(101,021,988)
Cash and cash equivalents at the beginning of the year	45,684,370	142,278,871
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(1,502,091)	4,427,487
Cash and cash equivalents at the end of the year	293,422,073	45,684,370
Components of Cash and Cash Equivalents		
Cash on hand	-	-
Balances with Banks in current accounts	293,422,073	45,684,370
	293,422,073	45,684,370
Bank balances / deposits held as margin money or as security against borrowings	-	-
Cash and Cash Equivalents as per Balance Sheet	293,422,073	45,684,370

Footnote :

Cashflow Statement has been prepared as per the Indirect method set out in Indian Accounting Standard 7 "Statement of Cash Flows"

Notes 1 to 31 forms part of the special purpose financial statements.

In terms of our report attached.

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SPECIAL PURPOSE FINANCIAL STATEMENTS
IPL USA LLC

Notes forming part of Financial Statements for the year ended March 31, 2018

(A) Equity Share Capital

Equivalent ₹

Statement of changes in equity for the year	Year ended March 31, 2018	Year ended March 31, 2017
a. Equity share capital		
Balance as at the beging of the year	381,595,300	315,225,400
Changes in equity share capital during the year	558,591,502	66,369,900
Balance as at end of the year	940,186,802	381,595,300

Equivalent ₹

Statement of changes in equity for the year ended March 31, 2018					
b. Other equity	Reserves and surplus		Items of other comprehensive income		Total
	Retained earnings	Total	Foreign currency translation reserve	Total	
Balance as at April 1, 2017	(326,656,553)	(326,656,553)	11,429,095	11,429,095	(315,227,458)
Profit for the year	(284,374,345)	(284,374,345)	-	-	(284,374,345)
Other comprehensive income for the period, net of income tax	-	-	(1,590,294)	(1,590,294)	(1,590,294)
Total comprehensive income for the year	(284,374,345)	(284,374,345)	(1,590,294)	(1,590,294)	(285,964,639)
Balance as at March 31, 2018	(611,030,898)	(611,030,898)	9,838,801	9,838,801	(601,192,097)

Equivalent ₹

Statement of changes in equity for the year ended March 31, 2017					
b. Other equity	Reserves and surplus		Items of other comprehensive income		Total
	Retained earnings	Total	Foreign currency translation reserve	Total	
Balance as at April 1, 2016	(175,871,207)	(175,871,207)	11,345,499	11,345,499	(164,525,708)
Profit for the year	(150,785,346)	(150,785,346)	-	-	(150,785,346)
Other comprehensive income for the period, net of income tax	-	-	83,596	83,596	83,596
Total comprehensive income for the year	(150,785,346)	(150,785,346)	83,596	83,596	(150,701,750)
Balance as at March 31, 2017	(326,656,553)	(326,656,553)	11,429,095	11,429,095	(315,227,458)

Notes 1 to 31 forms part of the special purpose financial statements.

In terms of our report attached.

For SRBC & CO

Chartered Accountants

(Firm's Registration No. 324982E/E300003)

For and on behalf of the Board

Nishant Mankodi
Partner
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Date :

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SPECIAL PURPOSE FINANCIAL STATEMENTS

IPL USA LLC

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2018

General Information & Significant Accounting Policies

1. General information

IPL USA LLC., (IPLUSA) the company is a 100% subsidiary of ITNL International Pte Ltd., (IPL) incorporated in USA on 13th November 2013. Its parent and ultimate holding company is IL&FS Transportation Networks Limited (ITNL). The address of its registered office & Principal place of business are The IL&FS Financial Centre, Plot C-22, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051 Maharashtra, India.

The Company has been formed to undertake maintenance and operations of Roads & Highways, EPC Contracts for Rehabilitation and Construction of Roads & Highways and for construction of Infrastructure Projects in USA and also to conduct all lawful business activities chosen by its management.

The Company is assured of continuing operational and financial support from its intermediate Holding Company vide letter of support dated May 02, 2018

2. Significant accounting policies

2.1 Statement of compliance

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

2.2 Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

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

The Financial statements have been prepared on going concern basis considering the Company's ability to raise requisite finance/generate cash flows from strategic initiatives in finance to meet its utilization including financial support to its subsidiary companies.

2.3 Fair value measurement

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

SPECIAL PURPOSE FINANCIAL STATEMENTS

I IPL USA LLC

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2018

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 2.20 and 26)
Quantitative disclosures of fair value measurement hierarchy (note 26)
- Financial instruments (including those carried at amortised cost) (note 5,7,9,12,15,16,26)

2.4 Foreign currencies

The Company's financial statements are presented in INR. In preparing the financial statements, 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 monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which

SPECIAL PURPOSE FINANCIAL STATEMENTS

I IPL USA LLC

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2018

are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

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

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

2.5 Borrowing costs

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

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

All other borrowing costs are recognized in statement of profit and loss in the period in which they are incurred.

2.6 Employee benefits

2.6.1 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 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

2.7 Revenue Recognition

Revenue from rendering of services is recognised when the outcome of the transaction can be estimated reliably, by reference to the deliverables of the services or stage of completion of the transaction at the reporting date.

2.8 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

SPECIAL PURPOSE FINANCIAL STATEMENTS

IPL USA LLC

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2018

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.

For arrangements entered into prior to April 1, 2015 the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as lessee

1. Assets held under finance leases are initially recognized 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.
2. 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 recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs (see note B.9). Contingent rentals are recognized as expenses in in the periods in which they are incurred.
3. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.
4. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as lessor

1. Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-

line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned

2. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at 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 net investment outstanding in respect of the lease.

2.9 Taxation

2.9.1 Current tax

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

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

SPECIAL PURPOSE FINANCIAL STATEMENTS

IPL USA LLC

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2018

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

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

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

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

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

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

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

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

2.10 Property, plant and equipment

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

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses, such as delivery

SPECIAL PURPOSE FINANCIAL STATEMENTS

IPL USA LLC

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2018

and handling costs, installation, legal services and consultancy services, directly attributable to bringing the asset to the site and in working condition for its intended use.

Depreciation / Amortisation

(i) All tangible assets are depreciated on a Straight Line Depreciation Method, over the useful life of assets as prescribed under Schedule II of the Companies Act 2013 other than assets specified in para (ii) below, as included in the accounting policy of ITNL Group.

(ii) Following assets are depreciated over a useful life which is shorter than the life prescribed under Schedule II of the Companies Act 2013 based on internal 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 etc.

Asset	Useful life based on SLM
Plant & Machinery	Useful life of 15 years
Vehicles	Useful life of 5 years
Furniture & Fixtures	Useful life of 10 years
Data processing Equipments	Useful life of 3 years

2.11 Intangible assets (other than those covered by SCAs)

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

Asset Type	Useful Life
Licensed Software	Over the period of 4 years

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

2.12 Impairment of Property, plant and equipment and intangible assets

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

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

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

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

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IPL USA LLC

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2018

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

2.13 Inventories

Stores and spares

Inventories are stated at the cost and net realizable value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs of stores and spares are determined on a first-in- first-out basis.

2.14 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.

2.15 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.

2.16 Financial instruments

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

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

SPECIAL PURPOSE FINANCIAL STATEMENTS

IPL USA LLC

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2018

2.17 Financial assets

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

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

2.17.1 Classification of financial assets – debt instruments

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

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

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

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

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

2.18 Financial liabilities and equity instruments-

2.18.1 Classification as debt or equity

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

2.18.2 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method as per Ind AS 109.

Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

2.18.3 Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are

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Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2018

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.

2.18.4 Foreign exchange gains and losses

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

The fair value of financial 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.

2.19 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.20 Critical accounting judgments and key sources of estimation uncertainty

2.20.1 Critical accounting judgments

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

Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. In case the actual results are different those from estimates, the effect thereof is given in the financial statements of the period in which the events materialize. Any change in such estimates is accounted prospectively.

The matters to be disclosed will be dictated by the circumstances of the individual entity, and by the significance of judgments and estimates made to the performance and financial position of the entity. Instead of disclosing this information in a separate note, it may be more appropriate to include such disclosures in the relevant asset.

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

2.20.2 Key sources of estimation uncertainty

Key estimations in relation to Useful lives of Property, plant and equipment & Intangible assets

Useful lives of Property, plant and equipment & Intangible Assets (other than the life prescribed under Schedule II of the Companies Act, 2013) are estimated based on internal technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of

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Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2018

replacement, anticipated technological changes. All these evaluations and assessments involve judgements on part of the management.

Key estimations in relation to deferred tax assets

In assessing the realisability of deferred tax assets the management of the Company estimates whether the Company will earn sufficient taxable profit in future periods. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of the deferred tax assets considered realizable could be reduced in the near term, if estimates of future taxable income during the carry forward period are reduced

3. Recent accounting pronouncements

i. Standards issued but not yet effective

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("Amended Rules ") as per which Ind AS 115 "Revenue from Contract with Customers" supersedes Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue" and also MCA has carried out amendments to other existing Ind AS. These amendments shall be applicable to the Company for all accounting periods commencing on or after April 01, 2018.

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Notes forming part of Financial Statements for the year ended March 31, 2018
Note no.4 Property Plant and Equipment and Intangible Assets

Particulars	Cost or Deemed cost			Accumulated depreciation and impairment				Equivalent ₹	
	Balance as at April 1, 2017	Additions	Effects of Foreign exchange loss/gain	Balance at March 31, 2018	Balance as at April 1, 2017	Depreciation/Amortisation for the period	Effect of foreign currency exchange differences	Balance at March 31, 2018	Carrying Amount As at March 31, 2018
Property plant and equipment									
Vehicles	22,535,480	38,417,595	71,424	61,024,499	1,643,227	13,670,288	130,179	15,443,694	45,580,805
Furniture and fixtures	459,693	1,089,697	1,457	1,550,848	9,934	65,468	630	76,032	1,474,816
Plant and machinery	516,828	30,081,299	1,508	30,599,636	10,383	531,877	4,896	547,156	30,052,480
Data processing equipments	-	75,313	226,100	301,414	-	72,285	661	72,946	228,468
Sub total	23,512,001	69,663,905	300,489	93,476,396	1,663,544	14,339,918	136,366	16,139,828	77,336,569
Intangibles Assets									
Software / Licences acquired	2,713,496	-	8,601	2,722,096	73,985	674,359	6,399	754,743	1,967,353
Sub total	2,713,496	-	8,601	2,722,096	73,985	674,359	6,399	754,743	1,967,353
Grand Total	26,225,497	69,663,905	309,090	96,198,493	1,737,529	15,014,277	142,765	16,894,571	79,303,922

1,967,353.1

Previous Year

Particulars	Cost or Deemed cost			Accumulated depreciation and impairment				Equivalent ₹	
	Balance as at April 1, 2016	Additions	Effects of Foreign exchange loss/gain	Balance at March 31, 2017	Balance as at April 1, 2016	Depreciation/Amortisation for the period	Effect of foreign currency exchange differences	Balance at March 31, 2017	Carrying Amount As at March 31, 2017
Property plant and equipment									
Vehicles	-	22,535,480		22,535,480	-	1,699,830	(56,603)	1,643,227	20,892,253
Furniture and fixtures	-	459,693		459,693	-	10,276	(342)	9,934	449,759
Plant and machinery	-	516,828		516,828	-	10,741	(358)	10,383	506,445
Sub total	-	23,512,001	-	23,512,001	-	1,720,847	(57,303)	1,663,544	21,848,457
Intangibles Assets									
Software / Licences acquired		2,713,495		2,713,495		76,533	(2,548)	73,985	2,639,510
Sub total	-	2,713,495	-	2,713,495	-	76,533	(2,548)	73,985	2,639,510
Grand Total	-	26,225,497	-	26,225,497	-	1,797,381	(59,851)	1,737,529	24,487,967

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Notes forming part of Financial Statements for the year ended March 31, 2018

Note 5. Trade receivables

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Unsecured, considered good	-	-		
Trade receivables from others		55,496,529		-
Total	-	55,496,529		-

(a) There are no receivables are due from directors or other officers of the company either severally or jointly with any other person and from firms or private companies respectively in which any director is a partner, a director or a member.

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

Note 6. Loans

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Loans to other parties				
-Unsecured, considered good doubtful	-	-		
- Nelson LLC		15,328,217		15,328,217
Less : Allowance for bad and doubtful loans		(15,328,217)		(15,328,217)
Total	-	-		-

Note 7. Other financial assets (Unsecured, considered good unless otherwise mentioned)

Particulars	As at March 31,2018		As at March 31,2017	
	Non Current	Current	Non Current	Current
Unsecured Deposits to others	5,283,130		1,228,083	
Interest Accrued and Due (others)	-	249,446		249,446
Less : Provision for doubtful dues	-	(249,446)		(249,446)
Interest accrued on short term loan given (Refer note no 25)		867,623		864,882
Rentention money		7,992,229		-
Unbilled Revenue		-		2,309,927
Total	5,283,130	8,859,852	1,228,083	3,174,809

Note 8. Inventories (At lower of cost and net realisable value)

Particulars	As at March 31, 2018	As at March 31, 2017
Raw materials	-	-
Work-in-progress	-	-
Stock-in-trade	-	-
Stores and spares	17,745,201	-
Total	17,745,201	-

Note 9. Cash and cash equivalents

Particulars	Equivalent ₹	
	As at March 31,2018	As at March 31,2017
Balances with Banks	293,422,073	45,684,370
Cash and cash equivalents	293,422,073	45,684,370

Cash at banks earn interest at floating rates based on daily deposit rates. The above balances will also be considered for the purposes of cash flow statement

Note 10. Other assets - Current (Unsecured, considered good unless otherwise mentioned)

Particulars	Equivalent ₹	
	As at March 31,2018	As at March 31,2017
	Current	Current
Prepaid expenses	9,915,775	2,162,007
Advance paid to suppliers	8,537,363	
Total	18,453,138	2,162,007

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Notes forming part of Financial Statements for the year ended March 31, 2018

Note 11. Equity

Equity Share Capital

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Equivalent ₹	No. of Shares	Equivalent ₹
Authorised Share capital :				
Equity Shares of USD 1/- each	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Issued and subscribed capital comprises:				
Equity Shares of USD 1/- each fully paid	14,600,000	940,186,802	6,000,000	381,595,300
	14,600,000	940,186,802	6,000,000	381,595,300

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

Equity shares	As at March 31, 2018	As at March 31, 2017
ITNL International Pte. Ltd, Singapore	940,186,802	381,595,300

ii. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year :

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Equivalent ₹	No. of Shares	Equivalent ₹
Shares outstanding at the beginning of the year	6,000,000	381,595,300	5,000,000	315,225,400
Shares issued during the Year	8,600,000	558,591,502	1,000,000	66,369,900
Shares outstanding at the end of the year	14,600,000	940,186,802	6,000,000	381,595,300

iii. Shareholders holding more than 5% of issued, subscribed and paid up equity share capital :

Equity Shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	% of total holding	Number of Shares	% of total holding
ITNL International Pte. Ltd, Singapore	14,600,000	100.00%	6,000,000	100.00%

iv. The Company has one class of equity shares with face value of USD 1 each fully paid-up which carry one vote per share and right to dividends.

Other Equity

Particulars	Equivalent ₹	
	As at March 31, 2018	As at March 31, 2017
<u>Foreign currency translation reserve</u>		
Balance at beginning of year	11,429,095	11,345,499
Exchange differences arising on translating the foreign operations	(1,590,294)	83,596
Balance at end of the year	9,838,801	11,429,095
<u>Retained earnings</u>		
Balance at beginning of year	(326,656,553)	(175,871,207)
Profit attributable to owners of the Company	(284,374,345)	(150,785,346)
Balance at end of the year	(611,030,898)	(326,656,553)
Total	(601,192,097)	(315,227,458)

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Notes forming part of Financial Statements for the year ended March 31, 2018

Note 12. Borrowings

Particulars	As at March 31, 2018			As at March 31, 2017			Equivalent ₹
	Long-term	Current portion	Short-term	Long-term	Current portion	Short-term	
Unsecured – at amortised cost							
Loan for asset finance (refer note below)	36,295,188	15,460,983	21,139,333				
Loan from related party (current)		(15,460,983)					
Less : Current maturities of long term borrowing clubbed under "other financial liabilities"							
Total Non-current borrowings	36,295,188	-	21,139,333	-	-	-	

Note :

The above finance taken for vehicles purchase from various financial institutions.

Interest of 4.99% to 9.81% per annum is charged on the outstanding loan balances (as at March 31, 2017: 6.25% to 7% per annum).

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

Particulars	As at March 31, 2018	As at March 31, 2017
	₹	₹
Upto 1 year	-	-
1-3 years	36,295,188	-
3-5 years	-	-
More than 5 years	-	-
Total	36,295,188	-

The Asset finance taken is repayable on maturity

Note 13. Provisions

Particulars	Equivalent ₹	
	As at March 31, 2018	As at March 31, 2017
	Current	Current
Provision for Employee Bonus	3,727,863	4,765,504
Total	3,727,863	4,765,504

Note 14. Other current liabilities

Particulars	Equivalent ₹	
	As at March 31, 2018	As at March 31, 2017
	Current	Current
Statutory dues (401k tax, Social security, medicare, Fed Income Tax etc)	2,699,945	1,345,595
Unearned Revenue	19,246,874	-
Total	21,946,819	1,345,595

Note 15. Other financial liabilities

Particulars	Equivalent ₹	
	As at March 31, 2018	As at March 31, 2017
	Current	Current
Current maturities of long term debt (Loan for asset finance)	15,460,983	
Payable to related party (Refer note no 25)	6,556,771	337,894
Payable to holding company (Refer note no 25)	663,826	319,784
Total	22,681,580	657,678

Note 16. Trade payables

Particulars	Equivalent ₹	
	As at March 31, 2018	As at March 31, 2017
	Current	Current
Trade payables other than MSME	33,778,357	3,600,617
Total	33,778,357	3,600,617

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IPL USA LLC

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 17. Revenue from operations

Particulars	Equivalent ₹	
	Year ended March 31, 2018	Year ended March 31, 2017
Operation and maintenance income	575,017,589	104,743,526
Total	575,017,589	104,743,526

Note 18. Other Income

Particulars	Equivalent ₹	
	Year ended March 31, 2018	Year ended March 31, 2017
Interest income on loan given to relatd party	-	1,052,628
Interest on Bank deposits	78,065	33,587
Miscellaneous income	536,599	172,392
Total	614,664	1,258,607

Note 19. Operating expense

Particulars	Equivalent ₹	
	Year ended March 31, 2018	Year ended March 31, 2017
Operation and maintenance expenses	573,688,740	88,400,851
Total	573,688,740	88,400,851

Note 20. Employee benefits expense

Particulars	Equivalent ₹	
	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and Wages	111,675,307	70,804,415
Staff Welfare Expenses	69,358,229	13,475,051
Total	181,033,536	84,279,466

Note 21. Finance costs

Particulars	Equivalent ₹	
	Year ended March 31, 2018	Year ended March 31, 2017
Interest on Loan	333,103	
Other borrowing costs		
Guarantee commission	6,179,482	1,678,174
Finance charges	2,474,221	-
Total	8,986,806	1,678,174

Note 22. Depreciation and amortisation expense

Particulars	Equivalent ₹	
	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property, plant and equipment	12,011,422	1,720,847
Amortisation of intangible assets	3,002,855	76,534
Total depreciation and amortisation pertaining to continuing operations	15,014,277	1,797,381

Note 23. Other expenses

Particulars	Equivalent ₹	
	Year ended March 31, 2018	Year ended March 31, 2017
Rent expense	9,604,869	7,088,966
Travelling and conveyance	21,764,119	13,460,791
Legal and consultation fees	29,863,398	32,488,950
Communication expenses	2,034,176	2,403,795
Insurance	206,736	1,676,143
Printing and Stationary	4,845,054	1,004,479
Directors Fees	418,957	1,513,911
Bank charges	727,697	1,018,313
Office Maintenance	772,295	-
Provisions for Doubtful debt	-	11,410,820
Business promotion expenses	324,308	529,948
Payment to auditors	5,151,040	1,140,225
Miscellaneous expenses	5,570,590	6,895,266
Total	81,283,239	80,631,607

Payments to auditors	Equivalent ₹	
	Year ended March 31, 2018	Year ended March 31, 2017
a) For audit	5,151,040	1,140,225
b) For taxation matters	-	-
c) For company law matters	-	-
d) For other services	-	-
c) For reimbursement of expenses	-	-
Total	5,151,040	1,140,225

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IPL USA LLC

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 24. Computation of Earnings per share

The following reflects the income and share data used in basic and diluted earnings per share computation

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net Loss after tax attributable available for equity shareholders	(284,374,345)	(150,785,345)
Weighted average number of equity shares	8,097,589	5,506,849
Basic & Diluted Earnings per share (Rs)	(35.12)	(27.38)
Face value per share (USD)	1.00	1.00

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I IPL USA LLC

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 25. Related Party Disclosures

(a) Details of Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Ultimate Holding Company	Infrastructure Leasing & Financial Services Limited	IL&FS
Immediate Holding Company	IL&FS Transportation Networks Limited	ITNL
Holding Company	ITNL International Pte. Ltd., Singapore	I IPL
Key Management Personnel ("KMP")	K Ramchand Director and his relatives	
	Mukund Sapre and his relatives	

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IIPL USA LLC

Notes forming part of Financial Statements for the year ended March 31, 2018

Related Party Disclosures (contd.)**(b) transactions/ balances with above mentioned related parties (mentioned in note 25 (a) above)**

Particulars	Name of Related Party	As at March 31, 2018	Equivalent ₹
			As at March 31, 2017
Balance			
		-	
Payable for Reimbursement of Expense	IIPL	-	319,784
Payable for Guarantee	ITNL	-	337,894
Interest accrued	IIPL	867,623	864,882

Transactions	Name of Related Party	Year ended March 31, 2018	Equivalent ₹
			Year ended March 31, 2017
Interest Income	IIPL	-	1,052,628
Issue of shares	IIPL	558,591,502	66,369,900

SPECIAL PURPOSE FINANCIAL STATEMENTS
IPL USA LLC

Notes forming part of Financial Statements for the year ended March 31, 2018

26. Financial instruments

26.1 Capital management

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the company consists of borrowings as detailed in notes 12 and equity of the Company (comprising issued capital, reserves, retained earnings as detailed in note 11). The Capital structure of the company is reviewed by company on periodic basis.

26.1.1 Gearing ratio

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

Particulars	As at March 31,2018	As at March 31, 2017
Debt (i)	72,895,504	-
Cash and bank balances	293,422,073	45,684,370
Net debt	(220,526,569)	(45,684,370)
Equity (ii)	338,994,705	66,367,842
Net debt to equity ratio	(0.65)	(0.69)

Debt is defined as long- and short-term borrowings and current maturities of long term debt, as described in notes 12

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

26.2 Categories of financial instruments

Particulars	As at March 31,2018	As at March 31, 2017
Financial assets		
Financial Assets measured at amortised cost		
Cash and bank balances	293,422,073	45,684,370
Trade receivable	55,496,529	-
Other financial assets	14,142,982	4,402,892
Financial liabilities		
Amortised cost (including trade payables)		
Borrowings	72,895,504	-
Other financial liabilities	40,998,954	4,258,295

26.3 Financial risk management objectives

The Company's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Company. The management provides written principles for overall financial risk management and written policies covering specific areas, such as credit risk, currency risk, liquidity risk & interest rate risk.

26.4 Market risk

The proposed activities expose it primarily to the financial risks of changes in interest rates. However there are no such risk currently as the borrowings of the company is at fixed rate.

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

26.5 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.

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

Equivalent ₹

Particulars	Liabilities as at		Assets as at	
	As at March 31,2018	As at March 31, 2017	As at March 31,2018	As at March 31, 2017
Euro			-	-
INR	6,556,771	319,784	-	-
SGD			-	-

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Notes forming part of Financial Statements for the year ended March 31, 2018

26.5.1 Foreign currency sensitivity analysis

The company is mainly exposed to the currency of Country India

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

Particulars	Currency INR Impact		Currency Chinese Yuan Impact	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Profit or (loss) (i) and (iii)	655,677	31,978	-	-
Equity (ii) and (iv)			-	-

- (i) This is mainly attributable to the exposure outstanding on Currency INR
(ii) This is as a result of the changes in INR
(iii) This is mainly attributable to the exposure to outstanding Currency INR
(iv) This is mainly as a result of INR

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.

26.6 Interest rate risk management

The Company is not exposed to interest rate risk because it borrows funds at fixed interest rates.

26.7 Forward foreign exchange contracts

The company did not carry out any foreign currency forward contracts during the year

26.8 Other price risks

The company is not exposed to equity price risks arising from equity investments.

26.8.1 Equity price sensitivity analysis

The company's sensitivity to equity prices has not changed significantly from the prior year.

26.9 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 Company has adopted a policy of only dealing with creditworthy counterparties.

26.10 Liquidity risk management

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

26.10.1 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.

Particulars	As at March 31, 2018		March 31, 2017	
	Non-interest bearing	Fixed interest rate instruments	Non-interest bearing	Fixed interest rate instruments
Weighted average effective interest rate (%)		6.48%		8%
Upto 1 year	40,662,806	39,763,257	4,258,295	
1-3 years		38,552,724		
3-5 years		497,702		
More than 5 years				
Total	40,662,806	78,813,683	4,258,295	-
Carrying amount	40,662,806	78,813,683	4,258,295	-

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

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

Particulars	As at March 31, 2018		March 31, 2017	
	Non-interest bearing	Fixed interest rate instruments	Non-interest bearing	Fixed interest rate instruments
Weighted average effective interest rate (%)		6.25%		5%
Upto 1 year	356,910,831	867,623		
1-3 years	5,283,130			
3-5 years				
More than 5 years				
Total	362,193,961	867,623	-	-
Carrying amount	362,193,961	867,623	-	-

SPECIAL PURPOSE FINANCIAL STATEMENTS
IPL USA LLC

Notes forming part of Financial Statements for the year ended March 31, 2018

26.11 Fair value measurements

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

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.

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

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

	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at amortised cost:				
Trade receivables	55,496,529	55,496,529	-	-
Cash & cash equivalents; and bank balances	293,422,073	293,422,073	45,684,370	45,684,370
Other financial assets	14,142,982	14,142,982	4,402,892	4,402,892
Financial lease receivables	-	-	-	-
Financial liabilities				
Financial liabilities held at amortised cost:				
Borrowings	72,895,504	72,895,504	-	-
Other financial liabilities	40,998,954	40,998,954	4,258,295	4,258,295
Financial lease payables	-	-	-	-

Fair value hierarchy as at March 31, 2018

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at amortised cost:				
Trade receivables	-	-	55,496,529	55,496,529
Cash & cash equivalents; and bank balances	-	-	293,422,073	293,422,073
Other financial assets	-	-	14,142,982	14,142,982
Total	-	-	363,061,584	363,061,584
Financial liabilities				
Financial liabilities held at amortised cost:				
Borrowings	-	-	72,895,504	72,895,504
Other financial liabilities	-	-	40,998,954	40,998,954
Total	-	-	113,894,458	113,894,458

Fair value hierarchy as at March 31, 2017

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at amortised cost:				
Trade receivables	-	-	-	-
Cash & cash equivalents; and bank balances	-	-	45,684,370	45,684,370
Other financial assets	-	-	4,402,892	4,402,892
Total	-	-	50,087,262	50,087,262
Financial liabilities				
Financial liabilities held at amortised cost:				
Other financial liabilities	-	-	4,258,295	4,258,295
Total	-	-	4,258,295	4,258,295

Note : There has been no change in fair value hierarchy during the year.

SPECIAL PURPOSE FINANCIAL STATEMENTS

IIPL USA LLC

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 27: Segment Information

The Company is in business of Project Management and Consultancy Services as such all activities undertaken by the Company are incidental to the main business and thus the Company operates in single business segments. Also it operates in a single geographic segment. In the absence of separate reportable business or geographic segments, disclosure required as per Ind AS 108 under "Segment Reporting" has not been made.

Note 28: Comparatives

Previous year figures have been regrouped/reclassified where necessary, to correspond with the current year's classification

Note 29: Letter of support

The Company is assured of continuing operational and financial support from its intermediate Holding Company vide letter of support dated May 02, 2018

Note 30: Audit of Last year financials

The last year financials being audited by Deoitte Haskin & Sells LLP

Note 31: Approval of financial statements

The Ind AS financial statements were approved for issue by the Board of Directors on May 1, 2018

For and on behalf of the Board

Director

Director

Date :