

HAZARIBAGH RANCHI EXPRESSWAY LIMITED

FINANCIAL STATEMENTS

2016-2017

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF

M/s Hazaribagh Ranchi Expressway Limited

I) Report on the Special Purpose Financial Statements, Hyperion Package and other deliverables as per the referral instructions

We have audited the accompanying (a) special purpose financial statements of M/s Hazaribagh Ranchi Expressway Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, First-time adoption of Indian Accounting Standards (Ind AS) reconciliation with SCA financial statements; and a summary of the significant accounting policies and other explanatory information; and (b) Hyperion Package, including all the appendices and other deliverables as listed in the referral instructions (GRI) (referred to as the "Reporting Package"). The special purpose financial statements and Reporting Package have been prepared by the Management of the Company based on the Group Referral Instructions (GRI) dated April 14, 2017 issued by the Management of IL&FS Transportation Networks Limited (ITNL) ("Parent Company").

II) Management's Responsibility for the Special Purpose Financial Statements and the Reporting Package

- 1) 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 special purpose financial statements and the Reporting Package that give a true and fair view of the financial position, financial performance including other comprehensive income and 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 read with relevant rules issued thereunder, as applicable and the accounting policies as mentioned in the GRI and in accordance with the format of special purpose financial statements and the Reporting Package as given in the GRI and Hyperion System.
- 2) 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; application of appropriate accounting policies as mentioned in GRI; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements and the Reporting Package that give a true and fair view and are free from material misstatement, whether due to fraud or error.

III) Auditor's Responsibility

- 1) Our responsibility is to express an opinion on these special purpose financial statements and the reporting package based on our audit.



- 2) 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 as per the format given by the parent company's auditor.
- 3) We conducted our audit of the special purpose financial statements and the Reporting Package in accordance with the GRI issued by ITNL, Referral Instructions issued by Deloitte Haskins & Sells LLP and S R B C & CO LLP, parent company joint auditors and in accordance with the Standards on Auditing specified under Section 143(10) of the Act and in accordance with the materiality of Rs. 2 Million which is consistent with the materiality mentioned in "Appendix A – Acknowledgement of Referral Instructions" dated April 20, 2017 issued to the auditor's parent company. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements and Reporting Package are free from material misstatement
- 4) An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements and reporting package. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and reporting package, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements and reporting package that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements and reporting package.
- 5) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements and reporting package.

IV) Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements and the reporting package give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable and the accounting policies as mentioned in the GRI, of the Balance Sheet as at March 31, 2017, 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.

V) Emphasis of Matter(s)

As per ITNL policy, the rate considered for recognizing Finance Income (EIR) and fair valuation of the Receivable under SCA will be finalised on achievement of PCOD / CoD for the Project. Thereafter this rate will remain constant during the balance concession period however the Company policy is different which is, the rate considered for recognizing Finance Income (EIR) and fair valuation of the Receivable under SCA is revised on revision of projected cost and timing thereof and receipt of annuity.

Our opinion is not modified in respect of this/ these matter(s).



VI) Restriction on Distribution and Use

The special purpose financial statements, reporting package and our report is intended solely for the Company, the Parent Company and the auditors of the Parent Company for their consideration into the audit of Consolidated Financial Statements and should not be distributed to or used by parties other than the Company, the Parent Company and the auditors of the Parent Company.

VII) Other Matter(s)

The Company has prepared a separate set of financial statements for the year ended March 31, 2017 in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act on which we have issued a separate Auditor's Report to the members of the Company dated 10th May, 2017.

Our opinion is not modified in respect of this/these matter(s).

VIII) Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss (including other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid special purpose financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder, as applicable.
- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Appendix P". 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, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statement- Refer note 29 to financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 30 to the Special Purpose financial statements.

For Luthra & Luthra
Chartered Accountants

Reg. No. 002081N

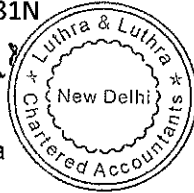

Akhilesh Gupta

Partner

(M. No. 89909)

Date: May 10, 2017

Place: Mumbai



HAZARIBAGH RANCHI EXPRESSWAY LIMITED
SPECIAL PURPOSE FINANCIALS STATEMENT
 Balance sheet as on March 31, 2017
 CIN: U45203MH2009PLC191070

Amount in ₹

Particulars	Notes	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
ASSETS							
Non-current Assets							
(a) Property, plant and equipment	6		32,041		44,766		58,029
(b) Intangible assets	7						
(i) others		3		3		18	
(ii) Intangible assets under development			3		3		18
(c) Financial assets							
Other financial assets	9A		8,396,534,662		8,744,844,797		9,348,147,127
Total Non-current Assets			8,396,566,706		8,744,889,566		9,348,205,174
Current Assets							
(a) Financial assets							
(i) Trade receivables	8					3,229,158	
(ii) Cash and cash equivalents	10		756,727,613		305,799,210	177,931,711	
(iii) Bank balances other than (ii) above	10		567,906,786		54,247	745,857	
(iv) Other financial assets	9B		587,738,683		603,302,330	552,028,426	733,935,152
(b) Current tax assets (Net)	19		55,047,021		39,600,482		36,192,463
(c) Other current assets	11						
			9,517,571		10,728,412		9,666,336
			1,976,937,674		959,484,681		779,793,951
Total Current Assets			1,976,937,674		959,484,681		779,793,951
Total Assets			10,373,504,380		9,704,374,247		10,127,999,125
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital	13		1,310,000,000		1,310,000,000		1,310,000,000
(b) Other Equity			(396,624,590)		(1,278,966,060)		(744,689,235)
Equity attributable to owners of the Company			913,375,410		31,033,940		565,310,765
Total Equity			913,375,410		31,033,940		565,310,765
LIABILITIES							
Non-current Liabilities							
(a) Financial Liabilities							
Borrowings	14		7,390,362,036		5,707,584,843		6,664,782,711
Total Non-current Liabilities			7,390,362,036		5,707,584,843		6,664,782,711
Current liabilities							
(a) Financial liabilities							
(i) Borrowings	17		1,307,334,566		3,483,277,160		2,203,800,000
(ii) Trade payables	18		233,561,244		51,410,329		42,305,740
(iii) Other financial liabilities	15		525,584,738		430,507,499		650,486,020
(b) Other current liabilities	16						
			3,286,386		560,476		1,313,889
			2,069,766,934		3,965,755,464		2,897,905,649
Total Current Liabilities			2,069,766,934		3,965,755,464		2,897,905,649
Total Liabilities			9,460,128,970		9,673,340,307		9,562,688,360
Total Equity and Liabilities			10,373,504,380		9,704,374,247		10,127,999,125

Note 1 to 35 forms part of the financial statements.
 In terms of our report attached.
 For Luthra & Luthra
 Chartered Accountants
 Firm Registration No.002081N

Akhlesh Gupta
 Partner
 Mem. No. : 89909



Place: Mumbai
 Date: May 10, 2017

For and on behalf of the Board

Vijay Kini
 Director
 Din:06612768

Prashant Agarwal
 Director
 Din:02348083

Chandrakant Jagasia
 Chief Financial Officer

Dipin Barji
 Company Secretary

Place: Mumbai
 Date: May 10, 2017

HAZARIBAGH RANCHI EXPRESSWAY LIMITED
SPECIAL PURPOSE FINANCIALS STATEMENT
Statement of profit and loss for the year ended March 31, 2017
CIN: U45203MH2009PLC191070

Amount in ₹

Particulars	Notes	Year Ended March 31, 2017	Year Ended March 31, 2016
Revenue from Operations	20	917,556,218	729,571,573
Other income	21	10,235,406	2,085,886
Total Income		927,791,624	731,657,459
Expenses			
Operating expenses	22	250,480,835	147,151,387
Finance costs	23	1,067,917,397	1,104,188,132
Depreciation and amortisation expense		12,725	13,278
Other expenses	24	12,439,051	14,581,487
Total expenses		1,330,850,008	1,265,934,284
Profit before tax		(403,058,384)	(534,276,826)
Less: Tax expense	25	-	-
Profit for the year		(403,058,384)	(534,276,826)
Other Comprehensive Income		-	-
Total comprehensive income for the year		(403,058,384)	(534,276,826)
Earnings per equity share (for continuing operation):			
(1) Basic (in Rs.)	26	(3.08)	(4.08)
(2) Diluted (in Rs.)		(3.08)	(4.08)

Note 1 to 35 forms part of the financial statements.
 In terms of our report attached.

For Luthra & Luthra
 Chartered Accountants
 Firm Registration No.002081N

Akhilesh Gupta
Partner
 Mem. No. : 89909



For and on behalf of the Board

Vijay Kini
Director
 Din:06612768

Prashant Agarwal
Director
 Din:02348083

Chandrakant Jagasia
Chief Financial Officer

Dilip Darji
Company Secretary

Place: Mumbai
 Date: May 10, 2017

Place: Mumbai
 Date: May 10, 2017

HAZARIBAGH RANCHI EXPRESSWAY LIMITED
SPECIAL PURPOSE FINANCIALS STATEMENT
Statement of cash flows for the year ended March 31, 2017
CIN: U45203MH2009PLC191070

Amount in ₹

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Cash flows from operating activities		
Loss for the year	(403,058,384)	(534,276,826)
<u>Adjustments for:</u>		
Finance costs recognised in profit or loss	1,067,917,397	1,104,188,132
Interest Income on Fixed Deposits	(10,235,406)	(2,085,886)
Depreciation and amortisation of non-current assets (continuing operations)	12,725	13,278
	654,636,332	567,838,698
<u>Movements in working capital:</u>		
Decrease in trade and other receivables	-	3,229,158
(Increase)/Decrease in other assets	1,210,841	(1,062,076)
Increase/ (Decrease) in trade and other payables	(9,000,261)	8,351,176
	(7,789,420)	10,518,258
Cash generated from operations	646,846,912	578,356,956
Income taxes paid	(15,446,539)	(3,408,019)
Net cash generated by operating activities	631,400,373	574,948,937
Cash flows from investing activities		
Interest received	6,282,867	2,777,496
Fixed deposits matured / (placed) as security against borrowings	(563,900,000)	
Receivable under Service Concession Arrangements	557,750,867	552,028,428
Net cash (used in)/generated by investing activities	133,734	554,805,924
Cash flows from financing activities		
Proceeds from Long term borrowings	7,150,000,000	-
Repayment of Long term Borrowings	(5,680,653,593)	(1,166,421,554)
Movement of short term borrowings	(663,768,343)	1,279,477,160
Interest paid	(986,183,768)	(1,114,942,968)
Net used in generated in financing activities	(180,605,704)	(1,001,887,362)
Net decrease in cash and cash equivalents	450,928,403	127,867,499
Cash and cash equivalents at the beginning of the year	305,799,210	177,931,711
Cash and cash equivalents at the end of the year	756,727,613	305,799,210

Note 1 to 35 forms part of the financial statements.

In terms of our report attached.

For Luthra & Luthra
Chartered Accountants
Firm Registration No.002081N

Akhilesh Gupta
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Mem. No. : 89909



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Vijay Kini
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Chief Financial Officer

Dilip Darji
Company Secretary

Place: Mumbai
Date: May 10, 2017

Place: Mumbai
Date: May 10, 2017

HAZARIBAGH RANCHI EXPRESSWAY LIMITED
SPECIAL PURPOSE FINANCIALS STATEMENT
Statement of changes in equity for the year ended March 31, 2017

A Equity share capital	As at March 31, 2017	As at March 31, 2016
Balance as at beginning of the year	1,310,000,000	1,310,000,000
Changes in equity share capital during the year	-	-
Balance as at end of the year	1,310,000,000	1,310,000,000

B Other equity	Reserves & Surplus (Retained earning)	As at March 31, 2017	Reserves & Surplus (Retained earning)	As at March 31, 2016
Balance as at beginning of the year	(1,278,966,060)	(1,278,966,060)	(744,689,235)	(744,689,235)
Transfer to Deemed Equity during the year	1,285,399,854	1,285,399,854	-	-
Loss for the year	(403,058,384)	(403,058,384)	(534,276,826)	(534,276,826)
Balance as at end of the year	(396,624,590)	(396,624,590)	(1,278,966,060)	(1,278,966,060)

For Luthra & Luthra
Chartered Accountants
Firm Registration No.002081N

Akhilesh Gupta
Partner
Mem. No. : 89909



For and on behalf of the Board

Vijay Kini
Director
Din:06612768

Chandrakant Jagasia
Chief Financial Officer

Place: Mumbai
Date: May 10, 2017

Prashant Agarwal
Director
Din:02348083

Dilip Datta
Company Secretary

Place: Mumbai
Date: May 10, 2017

Hazaribagh Ranchi Expressway Limited

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

Note No-1

1. Background

The Company was incorporated under the Companies Act 1956 on March 19, 2009. It was issued "Certificate of Commencement of Business" on May 19, 2009. The Company was originally formed as "ITNL Highways Development Company Ltd" and its name was changed to 'Hazaribagh Ranchi Expressway Limited' with effect from May 11, 2009.

The Company is a special purpose vehicle (SPV) promoted by IL&FS Transportation Networks Limited (ITNL). The Company has entered into a Concession Agreement with National Highways Authority of India (NHAI) on October 08, 2009 to Design, Engineer, Finance, Procure, Construct, Operate and Maintain 4 laning Hazaribagh-Ranchi section of NH-33 from km 40.500 to km 114.000 in the State of Jharkhand on Build, Operate and Transfer (Annuity) basis. The Concession Agreement envisages concession for a period of 18 years commencing from the appointed date including construction period of 910 days required for 4 laning of the Project.

Note No-2

2. Significant accounting policies

2.1 Statement of compliance

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

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These are Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 4 for the details of first-time adoption exemptions availed by the Company.

2.2 Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for the following asset and liabilities which have been measured at fair value:

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

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



The principal accounting policies are set out below.

2.3 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

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

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

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

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

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

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

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

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

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

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



Note No-3

3.1 Accounting for rights under service concession arrangements and revenue recognition

i. Recognition and measurement

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

Concession contracts are public-private agreements for periods specified in the SCAs including the construction, upgradation, restoration of infrastructure and future services associated with the operation and maintenance of assets in the concession period. Revenue recognition, as well as, the main characteristics of these contracts are detailed in Note 2.9.iii.

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

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

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

The Company has contractual obligations to maintain the infrastructure to a specified level of serviceability or restore the infrastructure to a specified condition during the concession period and/or at the time of hand over to the grantor of the SCA. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. In case of concession arrangements under financial asset model, such costs are recognized in the period in which such costs are actually incurred.

iii. Revenue recognition

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

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

iv. Revenue from construction contracts

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



'Construction Contracts'

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

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

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

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

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

v. Borrowing cost related to SCAs

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

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

3.2 Borrowing costs

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

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

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



3.3 Taxation

Current tax

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

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

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

Deferred tax

Deferred tax is recognized 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 recognized 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 recognized 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 recognized 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 recognized if the temporary difference arises from the initial recognition of goodwill.

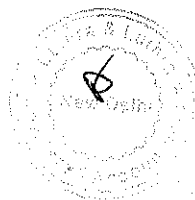
Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow



from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of to recover or settle the carrying amount of its assets and liabilities.

3.4 Property, plant and equipment

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

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

Where the construction or development of any asset requiring a substantial period of time to set up for its intended use is funded by borrowings, the corresponding borrowing costs are capitalized up to the date when the asset is ready for its intended use.

All assets are depreciated on a Straight Line Method (SLM) of Depreciation, over the useful life of assets as prescribed under Schedule II of the Companies Act, 2013.

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

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

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

3.5 Impairment of tangible assets

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

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

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

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

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



loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.6 Financial instruments

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

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

3.7 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized 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 recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

3.7.1 Classification of financial assets – debt instruments

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

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

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

3.7.2 Amortised cost and Effective interest method

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

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



3.7.3 Reclassification of financial assets

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

3.7.3.1 Derecognition of financial assets

The Company derecognizes 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] the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes 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 recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

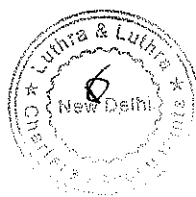
On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized 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] the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.7.4 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 recognizes 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 amortized 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 amortized 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 amortized 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 recognized in profit or loss as income or expense.

3.8 Financial liabilities and equity instruments-

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

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

3.8.1 Classification as debt or equity

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

3.8.2 Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method

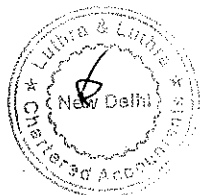
3.8.3 Financial liabilities subsequently measured at amortised cost

Financial liabilities are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

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

3.8.4 Derecognition of financial liabilities

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



3.9 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.

3.10 Provisions

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

The amount recognized 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).

Note No-4

4.1 First-time adoption optional exemptions

4.1.1 Overall principle

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

4.1.2 Derecognition of financial assets and financial liabilities

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

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

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

4.1.4 Classification of debt instruments

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



the transition date.

4.1.5 Impairment of financial assets

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

4.1.6 Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015.

Consequently,

- the Company has kept the same classification for the past business combinations as in its previous GAAP financial statements;
- the Company has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree; the Company has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- the Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;
- the effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

The Company has not applied Ind AS 21 - The Effects of Changes in Foreign Exchange Rates retrospectively to fair value adjustments and goodwill arising in business combinations that occurred before the transition date.

The above exemptions in respect of business combinations have also been applied to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business, as defined in Ind AS 103.

4.2. Critical accounting judgements and key sources of estimation uncertainty

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.

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.

Key source of estimation of uncertainty at the date of 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 receivable under SCA, valuation of deferred tax assets, provisions and contingent liabilities.



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

	Notes	As at March 31, 2016 (End of last period presented under previous GAAP)			As at April 1, 2015 (Date of transition)		
		Previous GAAP (SCA)	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP (SCA)	Effect of transition to Ind AS	As per Ind AS balance sheet
Non-current assets							
(a) Property, plant and equipment		44,766		44,766	58,029		58,029
(b) Intangible assets others		3		3	18		18
(c) Financial assets							
Other financial assets		8,744,844,797	-	8,744,844,797	9,348,147,127	-	9,348,147,127
Total non-current assets		8,744,889,566	-	8,744,889,566	9,348,205,174	-	9,348,205,174
Current assets							
(a) Financial assets							
(i) Trade receivables					3,229,158		3,229,158
(ii) Cash and cash equivalents		305,799,210		305,799,210	177,931,711		177,931,711
(iii) Bank balances other than (iii) above		54,247		54,247	745,857		745,857
(iv) Other financial assets		603,302,330		603,302,330	552,028,426		552,028,426
(b) Current tax assets (Net)		39,600,482		39,600,482	36,192,463		36,192,463
(c) Other current assets	B	11,282,165	(553,753)	10,728,412	19,124,023	(9,457,687)	9,666,336
		960,038,434	(553,753)	959,484,681	789,251,638	(9,457,687)	779,793,951
Total current assets		960,038,434	(553,753)	959,484,681	789,251,638	(9,457,687)	779,793,951
Total Assets		9,704,928,000	(553,753)	9,704,374,247	10,137,456,812	(9,457,687)	10,127,999,125
Equity							
(a) Equity share capital	A	1,310,000,000		1,310,000,000	1,310,000,000		1,310,000,000
(b) Other Equity		(1,318,699,812)	39,733,752	(1,278,966,060)	(755,961,162)	11,271,927	(744,689,235)
Equity attributable to owners of the Company		(8,699,812)	39,733,752	31,033,940	554,038,838	11,271,927	565,310,765
Total equity		(8,699,812)	39,733,752	31,033,940	554,038,838	11,271,927	565,310,765
Non-current liabilities							
Financial liabilities							
(i) Borrowings	A & B	5,745,519,911	(37,935,068)	5,707,584,843	6,698,148,220	(33,365,509)	6,664,782,711
Total non-current liabilities		5,745,519,911	(37,935,068)	5,707,584,843	6,698,148,220	(33,365,509)	6,664,782,711
Current liabilities							
Financial liabilities							
(i) Borrowings		3,483,277,160	-	3,483,277,160	2,203,800,000	-	2,203,800,000
(ii) Trade and other payables		51,410,329		51,410,329	42,305,740		42,305,740
(iii) Other financial liabilities		432,859,936	(2,352,437)	430,507,499	637,850,125	12,635,895	650,486,020
Other current liabilities		560,476		560,476	1,313,889		1,313,889
		3,968,107,901	(2,352,437)	3,965,755,464	2,885,269,754	12,635,895	2,897,905,649
Total current liabilities		3,968,107,901	(2,352,437)	3,965,755,464	2,885,269,754	12,635,895	2,897,905,649
Total liabilities		9,713,627,812	(40,287,505)	9,673,340,307	9,583,417,974	(20,729,614)	9,562,688,360
Total equity and liabilities		9,704,928,000	(553,753)	9,704,374,247	10,137,456,812	(9,457,687)	10,127,999,125

Reconciliation of total equity as at March 31, 2016

	Notes	As at March 31, 2016	As at April 1, 2015
		(End of last period presented under previous GAAP (SCA))	(End of last period presented under previous GAAP (SCA))
Total equity / shareholders' funds under previous GAAP		(8,699,812)	554,038,838
Adjustments:			
Impact Due to Effective Interest rate adjustment		39,733,751	11,271,927
Total adjustment to equity		39,733,751	11,271,927
Total equity under Ind AS		31,033,939	565,310,765



	Notes	Year ended March 31, 2016		
		(Latest period presented under previous GAAP (SCA))		
		Previous SCA	Effect of transition to Ind AS	Ind AS
Revenue from Operations		729,571,573	-	729,571,573
Other Income		2,085,885	-	2,085,886
Total Income		731,657,458	-	731,657,459
Expenses				
Operating expenses of SCA	A	147,151,387	-	147,151,387
Finance costs	A	1,132,649,957	(28,461,825)	1,104,188,132
Depreciation and amortisation expense	C	13,278	-	13,278
Other expenses		14,581,487	-	14,581,487
Total expenses		1,294,396,109	(28,461,825)	1,265,934,284
Profit before exceptional items and tax		(562,738,650)	28,461,825	(534,276,825)
Add: Exceptional items		-	-	-
Profit before tax		(562,738,650)	28,461,825	(534,276,825)
Less: Tax expense				
(1) Current tax		-	-	-
(2) Deferred tax		-	-	-
Profit for the period from continuing operations (I)		(562,738,650)	28,461,825	(534,276,825)
Profit for the period (IV=I+II-III)		(562,738,650)	28,461,825	(534,276,825)
Other Comprehensive Income				
Total comprehensive income for the period (IV+V)		(562,738,650)	28,461,825	(534,276,825)

Reconciliation of total comprehensive income for the year ended March 31, 2016		
Particulars		Year ended March 31, 2016 (Latest period presented under previous GAAP (SCA))
Profit as per previous GAAP		(562,738,650)
Adjustments:		
Finance costs	A	28,461,825
Total adjustments		28,461,825
Total comprehensive income under Ind AS		(534,276,825)

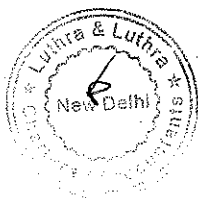
Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

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

	Notes	Year ended March 31, 2016		
		(Latest period presented under previous GAAP (SCA))		
		Previous GAAP (SCA)	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities		1,225,074,340	-	1,225,074,340
Net cash flows from investing activities		(78,008,164)	-	(78,008,164)
Net cash flows from financing activities		(1,019,198,677)	-	(1,019,198,677)
Net increase (decrease) in cash and cash equivalents		127,867,499	-	127,867,499
Cash and cash equivalents at the beginning of the period		177,931,711	-	177,931,711
Effects of exchange rate changes on the balance of cash held in foreign currencies		-	-	-
Cash and cash equivalents at the end of the period		305,799,210	-	305,799,210

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

	Notes	As at March 31, 2016	As at April 1, 2015
		(End of last period presented under previous GAAP (SCA))	(End of last period presented under previous GAAP (SCA))
Cash and cash equivalents for the purpose of statement of cash flows as per previous GAAP		305,799,210	177,931,711
Bank overdrafts which form an integral part of cash management system		-	-
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS		305,799,210	177,931,711



HAZARIBAGH RANCHI EXPRESSWAY LIMITED

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

6. Property, plant and equipment

Current Year

Particulars	Cost or Deemed cost		Accumulated depreciation and impairment		Carrying Amount	
	Balance as at April 1, 2016	Balance as at March 31, 2017	Balance as at April 1, 2016	Balance as at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Property plant and equipment						
Data processing equipments	294,871	294,871	293,453	294,865	6	1,4
Office equipments	55,280	55,280	55,276	55,276	4	
Furniture and fixtures	89,592	89,592	46,248	57,561	32,031	43,3
Total	439,743	439,743	394,977	407,702	32,041	44,7

Previous Year.

Particulars	Cost or Deemed cost		Accumulated depreciation and impairment		Carrying Amount	
	Balance as at April 1, 2015	Balance as at March 31, 2016	Balance as at April 1, 2015	Balance as at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Property plant and equipment						
Data processing equipments	294,871	294,871	291,513	293,453	1,418	3,3
Office equipments	55,280	55,280	55,274	55,276	4	
Furniture and fixtures	89,592	89,592	34,927	46,248	43,344	54,6
Total	439,743	439,743	381,714	394,977	44,766	58,0



HAZARIBAGH RANCHI EXPRESSWAY LIMITED

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

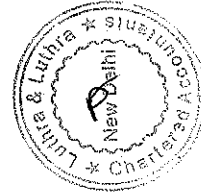
7. Other intangible assets

Current Year

Particulars	Cost or deemed cost			Accumulated depreciation and impairment		Carrying Amount	
	Balance as at April 1, 2016	Additions from separate acquisitions	Balance as at March 31, 2017	Balance as at April 1, 2016	Amortisation expense March 31, 2017	As at March 31, 2017	As at March 31, 2016
Software / Licences acquired	63,358		63,358	63,355		3	
Total	63,358	-	63,358	63,355	-	3	

Previous Year

Particulars	Cost or deemed cost			Accumulated depreciation and impairment		Carrying Amount	
	Balance as at April 1, 2015	Additions from separate acquisitions	Balance as at March 31, 2016	Balance as at April 1, 2015	Amortisation expense March 31, 2016	As at March 31, 2016	As at March 31, 2015
Software / Licences acquired	63,358		63,358	63,340	15	3	15
Total	63,358	-	63,358	63,340	15	3	15



8. Trade receivables

Trade receivables- Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade receivables outstanding for a period less than six months from the date they were due for payment Unsecured, considered good			3,229,158
Total	-	-	3,229,158

9. Other financial assets

A. Other financial assets - Non current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Receivable under service concession arrangements	8,395,729,150	8,744,039,285	9,347,341,615
Security Deposits	805,512	805,512	805,512
Total	8,396,534,662	8,744,844,797	9,348,147,127

B. Other financial assets - Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Receivable under service concession arrangements	587,738,683	603,302,330	552,028,426
Total	587,738,683	603,302,330	552,028,426

10. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balances with Banks	16,726,222	85,796,867	37,586,735
Cash on hand	1,391	2,343	839
Fixed Deposits placed for less than three months	740,000,000	220,000,000	140,344,137
Cash and cash equivalents	756,727,613	305,799,210	177,931,711
Balances held as margin money or as security against borrowings	563,900,000	-	-
Interest accrued but not due on Fixed Deposits	4,006,786	54,247	745,857
Other bank balances	567,906,786	54,247	745,857

At 31 March 2017, the Group had available Rs.NIL (31 March 2016: Rs.NIL, 1 April 2015: Rs.NIL) of undrawn committed borrowing facilities.

11. Other assets - Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Others			
Work Contract tax Receivables	7,493,240	7,493,240	7,493,240
Labour Cess Receivables	193,945	193,945	193,945
Capital Advances	22,900	-	16,854
Prepaid Expenses	-	3,041,227	1,962,297
Receivable from NHA1 towards Utility Shifting	1,807,486	-	-
Total	9,517,571	10,728,412	9,666,336

12. Disclosure in respect of Construction Contracts

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Contract revenue recognised as revenue during the year	221,586,620	94,288,121	602,888,980
Contracts in progress at the end of the reporting year			
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Cumulative revenue recognised	11,105,978,890	10,884,392,270	10,790,104,149

13. Equity Share Capital

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Equity share capital	1,310,000,000	1,310,000,000	1,310,000,000
Total	1,310,000,000	1,310,000,000	1,310,000,000
Authorised Share capital :			
132,000,000 equity shares of Rs.10/- each	1,320,000,000	1,320,000,000	1,320,000,000
Issued and subscribed capital comprises:			
131,000,000 fully paid equity shares of Rs.10/- each (as at March 31, 2016: 131,000,000 equity shares)	1,310,000,000	1,310,000,000	1,310,000,000
	1,310,000,000	1,310,000,000	1,310,000,000

13.1 Movement during the year

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Share capital (Amount)	Number of shares	Share capital (Amount)
Balance at the start of the year	131,000,000	1,310,000,000	131,000,000	1,310,000,000
Movements [describe]	-	-	-	-
Balance at the end of the year	131,000,000	1,310,000,000	131,000,000	1,310,000,000

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
IL&FS Transportation Networks Limited, the holding company	130,986,900	130,986,900	130,986,900
Punj Llyod Limited	13,100	13,100	13,100
Total	131,000,000	131,000,000	131,000,000

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares				
IL&FS Transportation Networks Limited, the holding Company	130,986,900	99.99%	130,986,900	99.99%
Punj Llyod Limited	13,100	0.01%	13,100	0.01%
Total	131,000,000	100.00%	131,000,000	100.00%

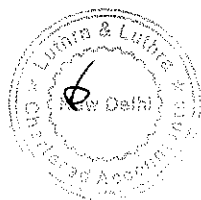
Fully paid equity shares, which have a par value of Rs.10, carry one vote per share and carry a right to dividends.

13.4 Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. Each holder of these ordinary shares are entitled to receive dividends as and when declared by the company. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportionate to the number of equity shares held by the shareholders.

Other Equity

Particulars	As at March 31, 2017	As at March 31, 2016
Deemed Equity		
Balance at beginning of the year	-	-
Transfer during the year	1,285,399,854	-
Balance at end of the year	1,285,399,854	-
Retained Earnings		
Balance at beginning of the year	(1,278,966,060)	(744,689,235)
Loss for the year	(403,058,384)	(534,276,826)
Balance at end of the Year	(1,682,024,444)	(1,278,966,060)



Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Secured – at amortised cost			
(i) Non Convertible Debentures			
a) 8.50% Redeemable NCD - Series A	4,883,251,797	-	-
b) 8.75% Redeemable NCD - Series B	1,780,335,842	-	-
c) Debentures	-	1,442,272,844	1,570,575,306
(ii) Term loans			
- from banks	-	1,673,790,914	1,806,280,962
Less : Unamortised Borrowing Cost	-	(13,073,993)	(16,381,971)
- from Financial Institute	-	2,108,802,743	2,282,712,631
Less : Unamortised Borrowing Cost	-	(4,207,665)	(5,094,566)
(iii) Loans from related parties	183,528,888	500,000,000	500,000,000
Unsecured – at amortised cost			
(i) Term loans			
- from banks	-	-	457,142,857
Less : Unamortised Borrowing Cost	-	-	(1,215,159)
- from Financial Institute	-	-	71,428,572
Less : Unamortised Borrowing Cost	-	-	(665,900)
(ii) Loans from related parties	543,245,509	-	-
Total Long-term borrowings	7,390,362,036	5,707,584,843	6,664,782,711

14.1 Summary of borrowing arrangements

(i) Amounts repayable to related parties of the Company. Interest of 0% per annum is charged on the outstanding loan balances (as at March 31, 2016: 12% per annum; as at April 1, 2015: 12% per annum).

Footnote

1. Security details

Secured against:	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
Non Convertible Debentures (Refer Foot Note: ii)	-	-	1,442,272,844	128,302,462	1,570,575,306	125,573,013
Non Convertible Debentures (Refer Foot Note: i)	6,653,587,639	485,256,390	-	-	-	-
Term Loan (Refer Foot Note: iii)	-	-	3,765,311,999	302,205,037	4,594,207,405	524,913,007
Loans from related parties	726,774,397	-	500,000,000	-	500,000,000	-
Total	7,390,362,036	485,256,390	5,707,584,843	430,507,499	6,664,782,711	650,486,020

Foot Note: i

The Company has issued and allotted 8.50% redeemable, listed, rated, secured non-convertible debentures of a nominal value of INR 1,00,000 each on a private placement basis, aggregating to INR 538.00 crores in accordance with the Terms and Conditions ("Senior Financing") and 8.75% redeemable, listed, rated, secured non-convertible debentures of a nominal value of INR 1,00,000 each on a private placement basis, aggregating to INR 177.00 crores in accordance with the Terms and Conditions ("Junior Financing"). The Debentures have the benefit of Security over the Secured Assets. The Debentures comprising the Senior Debentures are issued as Series A Debentures, comprising 10 sub-series of Debentures numbered Series A1 – Series A10. The Debentures comprising the Junior Financing are issued as Series B Debentures, comprising 10 sub-series of Debentures numbered Series B1 – Series B10.

(i) a first ranking pari passu charge over all the Company's tangible moveable properties and assets, both present and future, except the Project Assets;

(ii) a first ranking pari passu charge over all bank accounts of the Issuer including without limitation, the Escrow Account (or any account in substitution thereof) and the Debt Service Reserve Account except the Distribution Account, in all funds from time to time deposited therein and in all Permitted Investments or other securities representing all amounts credited to the Escrow Account and the Debt Service Reserve Account and any other bank accounts of the Company established pursuant to the Transaction Documents, including all revenues and receivables (including Fee) of the Issuer from the Project or otherwise, provided that:

- the same shall be applied in accordance with the waterfall of priority of payment as specified in Clause 31 of the Concession Agreement and Clause 4 of the Escrow Agreement, and shall, in no case, exceed beyond the limits set out therein;
- the charge over the receivables shall be enforceable by the Debenture Holders or on their behalf, only for the purpose of ensuring that the receivables are credited to the Escrow Account that shall be applied in accordance with the waterfall of priority of payment specified in Clause 31 of the Concession Agreement and Clause 4 of the Escrow Agreement;
- a first ranking pari passu charge/ assignment on all the intangible assets of the Issuer including but not limited to goodwill, rights, undertakings and uncalled capital both present and future, except the Project Assets (as such term is defined in the Concession Agreement), provided that the charge on uncalled capital shall be subject to Clause 5.3, Clause 7.1(k) and Clause 31 of Concession Agreement;
- assignment by way of Security in:
 - all the right, title, interest, benefits, claims and demands whatsoever of the Issuer in the Project Agreements;
 - the right, title and interest of the Issuer in, to and under all the Authorisations;
 - all the right, title, interest, benefits, claims and demands whatsoever of the Issuer in any guarantees, letters of credit, including but not limited to contractor guarantees, liquidated damages and performance bonds that may be provided by any party to the Project Agreements in favour of the Issuer; and
 - all the right, title, interest, benefits, claims and demands whatsoever of the Issuer under all Insurance Contracts and Insurance Proceeds;

Foot Note: ii

Non Convertible Debentures

The Company had issued 1,70,000 Secured Non- Convertible Debentures at the face value of Rs. 10,000/- each to "India Infradebt Limited" carrying interest at 9.75%. The Debentures are secured by hypothecation of:

- All movable, tangible and intangible assets, receivables, cash and investments created as part of the project other than the Project Assets.
 - Monies lying in Escrow Account into which all the investments in the Project and all Project revenues and insurance proceeds are to be deposited.
 - Assignment of all rights, title, benefits, claims and demands of the Issuer/Company under Project Agreements i.e. Concession agreement, Substitution agreement, Construction contract and operations contract, etc.
 - Assignment of all rights under project guarantees obtained pursuant to development contract or operations contract, if any relating to the project.
 - First ranking assignment of all contract, documents, insurance, clearances and interests of the Issuer/Company
- The Debentures are redeemed during the year

Foot Note: iii

Term loans from banks and financial institutions are secured by hypothecation of:

- All movable, tangible and intangible assets, receivables, cash and investments created as part of the projects.
- All the monies lying in Escrow Account into which all the investments in the Project and all Project revenues and insurance proceeds are to be deposited.
- Assignment of all rights, title, benefits, claims and demands of the Borrowers under Project Agreements i.e. Concession agreement, Substitution agreement, Construction contract and operations contract, etc.
- Assignment of all rights under project guarantees obtained pursuant to development contract or operations contract, if any relating to the project.
- First ranking assignment of all contract, documents insurance contracts/insurance Proceeds (Security Trustee to be named as loss payee), clearances and interests of the Borrower.
- Debt Service Reserve Account and any other accounts required to be created by the Borrower under any Project agreement contract.

Foot Note: iv

Term loan from holding company is secured by second pari passu charge over all assets other than the project assets



2. The details of Unsecured Redeemable Non-Convertible Debentures (NCDs) :

Series of NCDs	Face value per NCD (₹)	Rate of interest % p.a.	Terms of repayment	Date of redemption	No. of NCDs issued	No. of NCDs outstanding	No. of NCDs outstanding	No. of NCDs outstanding
						As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
India Infra Debt	10,000	9.75	Semi Annually	30th Sep 30th Mar	170,000	-	159,166	170,000
Series AI	100,000	8.50	Bullet Repayment	October 13, 2017	4,000	4,000		
Series BI	100,000	8.75	Bullet Repayment	October 13, 2017	2,400	2,400		
Series AIII	100,000	8.50	Bullet Repayment	October 12, 2018	2,000	2,000		
Series BIII	100,000	8.75	Bullet Repayment	April 13, 2018	450	450		
Series AII	100,000	8.50	Bullet Repayment	April 13, 2018	2,000	2,000		
Series BIII	100,000	8.75	Bullet Repayment	October 12, 2018	550	550		
Series AIV	100,000	8.50	Bullet Repayment	April 12, 2019	2,000	2,000		
Series BIV	100,000	8.75	Bullet Repayment	April 12, 2019	700	700		
Series AV	100,000	8.50	Bullet Repayment	October 14, 2019	2,000	2,000		
Series BV	100,000	8.75	Bullet Repayment	October 14, 2019	800	800		
Series AVI	100,000	8.50	Bullet Repayment	April 14, 2020	2,000	2,000		
Series BVI	100,000	8.75	Bullet Repayment	April 14, 2020	900	900		
Series AVII	100,000	8.50	Bullet Repayment	October 14, 2020	2,500	2,500		
Series BVII	100,000	8.75	Bullet Repayment	October 14, 2020	550	550		
Series AIX	100,000	8.50	Bullet Repayment	October 14, 2021	2,500	2,500		
Series BVIII	100,000	8.75	Bullet Repayment	April 14, 2021	550	550		
Series AVIII	100,000	8.50	Bullet Repayment	April 14, 2021	2,600	2,600		
Series BXI	100,000	8.75	Bullet Repayment	October 14, 2021	750	750		
Series AX	100,000	8.50	Bullet Repayment	April 14, 2022	2,400	2,400		
Series BX	100,000	8.75	Bullet Repayment	April 14, 2022	950	950		
Series AXI	100,000	8.50	Bullet Repayment	October 14, 2022	2,500	2,500		
Series BXI	100,000	8.75	Bullet Repayment	October 14, 2022	1,000	1,000		
Series AXII	100,000	8.50	Bullet Repayment	April 14, 2023	2,500	2,500		
Series BXIII	100,000	8.75	Bullet Repayment	October 13, 2023	800	800		
Series AXIII	100,000	8.50	Bullet Repayment	October 13, 2023	2,900	2,900		
Series BXII	100,000	8.75	Bullet Repayment	April 14, 2023	1,100	1,100		
Series AXIV	100,000	8.50	Bullet Repayment	April 12, 2024	2,600	2,600		
Series BXV	100,000	8.75	Bullet Repayment	October 14, 2024	700	700		
Series AXV	100,000	8.50	Bullet Repayment	October 14, 2024	3,000	3,000		
Series BXIV	100,000	8.75	Bullet Repayment	April 12, 2024	1,000	1,000		
Series AXVI	100,000	8.50	Bullet Repayment	April 14, 2025	3,000	3,000		
Series BXV	100,000	8.75	Bullet Repayment	April 14, 2025	850	850		
Series AXVII	100,000	8.50	Bullet Repayment	October 14, 2025	3,000	3,000		
Series BXVII	100,000	8.75	Bullet Repayment	October 14, 2025	1,000	1,000		
Series AXIX	100,000	8.50	Bullet Repayment	October 14, 2026	3,500	3,500		
Series BXVIII	100,000	8.75	Bullet Repayment	April 14, 2026	1,050	1,050		
Series AXVIII	100,000	8.50	Bullet Repayment	April 14, 2026	3,100	3,100		
Series BXIX	100,000	8.75	Bullet Repayment	October 14, 2026	850	850		
Series AXX	100,000	8.50	Bullet Repayment	April 14, 2027	3,700	3,700		
Series BXX	100,000	8.75	Bullet Repayment	April 14, 2027	750	750		
Total					241,500	71,500	159,166	170,000

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	₹	₹	₹	Frequency of Repayment*	Frequency of Repayment*	Frequency of Repayment*
Less than 1 year	640,000,000	432,899,936	637,850,125	SA	QT	QT
1-3 Years	1,050,000,000	874,717,884	1,367,838,258	SA	QT	QT
3 to 5 years	1,235,000,000	1,019,108,564	986,468,938	SA	QT	QT
5+ years	6,205,000,000	3,853,967,206	4,374,917,822	SA	QT	QT
Total	9,130,000,000	6,180,653,590	7,347,075,143			

QT = Quarterly, Y = Yearly, SA = Semi Annually and B = Bullet repayment

Note: Pursuant to the Amendment Agreement dated October 13, 2016 entered between the Promoter I&FS Transportation Networks Limited ("ITNL") and the Company, the subordinate debt Rs. 500 million given by ITNL to the Company and Short Term Loans to the extent of Rs. 1,480 million will not carry interest with effect from October 1, 2016 and provide the right to ITNL to convert the outstanding debt into equity.



15. Other financial liabilities

Other financial liabilities - Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current maturities of long-term debt			
(a) Secured			
(i) Non Convertible Debentures			
a) Debentures			
b) Series A	281,426,222	128,302,462	125,573,013
c) Series B	203,830,168	-	-
(ii) Term loans			
- from Bank	-	-	-
Less : Unamortised Borrowing Cost	-	132,490,044	123,657,376
- from Financial Institute	-	(3,307,978)	(3,224,133)
Less : Unamortised Borrowing Cost	-	173,909,892	148,709,892
	-	(886,921)	(886,921)
(b) Unsecured			
- from Bank	-	-	228,571,429
Less : Unamortised Borrowing Cost	-	-	(486,064)
- from Financial Institute	-	-	28,571,428
Less : Unamortised Borrowing Cost	-	-	-
Interest accrued and due - Related Parties	40,328,348	-	-
Total	525,584,738	430,507,499	650,486,020

16. Other liabilities

Other current liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Others			
-Statutory Dues			
Total	3,286,386	560,476	1,313,889
	3,286,386	560,476	1,313,889

17. Short-term Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured - at amortised cost			
Loans from related parties	1,307,334,566	3,483,277,160	2,203,800,000
Total	1,307,334,566	3,483,277,160	2,203,800,000

18. Trade payables - Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade payables			
Others	231,414,586	47,268,808	35,611,618
Total	2,146,658	4,141,521	6,694,122
	233,561,244	51,410,329	42,305,740

19. Current tax assets and liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current tax assets			
Advance payment of taxes (net of provision)	55,047,021	39,600,482	36,192,463
Total	55,047,021	39,600,482	36,192,463



20. Revenue from operations

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Income From Road Projects		
(a) Construction income	221,586,620	94,288,121
(b) Income from Annuity Assets (embedded in Annuity)		
- Operation and maintenance income	34,653,003	61,535,973
- Finance income	649,546,908	573,747,479
- Overlay Income	11,769,687	-
Total	917,556,218	729,571,573

Note: Annuity earned during the year	1,281,430,000	1,281,600,000
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21. Other Income

Interest Income

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Bank deposits (at amortised cost)	10,235,406	2,085,886
Total (a)	10,235,406	2,085,886

22. Operating Expenses

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Construction cost	207,095,813	89,049,804
Operation and maintenance expenses	32,385,022	58,101,583
Overlay expenses	11,000,000	-
Total	250,480,835	147,151,387

23. Finance costs

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
(a) Interest costs :-		
Interest on loans for fixed period		
Senior Lender	168,909,567	223,552,937
Financial Institute	198,303,892	250,703,436
Related Parties	433,947,745	462,263,699
Interest on debentures	232,763,636	157,327,401
(b) Other borrowing costs		
Finance charges	33,992,557	10,340,659
Total	1,067,917,397	1,104,188,132

Foot note :

Finance costs incurred by the group on qualifying assets are capitalised and accordingly the finance cost reported is net of such capitalization

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Gross finance costs	1,067,917,397	1,104,188,132
Less : Capitalised	-	-
Finance costs (net)	1,067,917,397	1,104,188,132



24. Other expenses

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Travelling and conveyance	561,320	308,904
Legal and consultation fees	10,361,531	9,088,764
Rates and taxes	219,504	28,477
Repairs and Maintenance		3,109,070
Communication expenses	15,404	50,875
Insurance	803	799
Printing and Stationary	2,100	24,100
Directors Fees	620,300	432,124
Bank Commission	6,864	632,389
Payment to auditors	630,303	900,958
Miscellaneous expenses	20,922	5,027
Total	12,439,051	14,581,487

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Payments to auditors		
a) For audit	301,563	286,250
b) For other services	328,740	614,708
Total	630,303	900,958

25. Income taxes

Income tax recognised in profit or loss

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Current tax	-	-
Deferred tax	-	-
Total income tax expense recognised in the current period	-	-

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Profit before tax from continuing operations	(403,058,384)	(534,276,826)
Income tax expense calculated at 34.61%	(139,498,507)	(184,913,209)
Amounts reversing within the tax holiday periods	139,498,507	184,913,209
Effect of unused tax losses on which no deferred Tax assets have been recognised	-	-
Income Tax expense to be recognised	-	-
Income tax expense recognised in profit or loss	-	-
Income tax expense recognised in profit or loss (relating to continuing operations)	-	-

Control total

The above Deferred Tax asset is reversing in the tax holiday period and hence no deferred tax asset has been recognised in the books

The tax rate used for the period reconciliations above is the Corporate tax rate of 34.61% payable by the Corporate entities in India on taxable profit under the Indian tax law.



26. Earnings per share

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
From Continuing operations	Rs. per share	Rs. per share
Basic earnings per share	(3.08)	(4.08)
Diluted earnings per share	(3.08)	(4.08)

26.1 Basic Earnings per share

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

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Profit for the period attributable to owners of the Company (A)	(403,058,384)	(534,276,826)
Weighted average number of equity shares for the purposes of basic earnings per share	131,000,000	131,000,000
Basic Earnings per share (A/B)	(3.08)	(4.08)

26.2 Diluted earnings per share

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

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

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Earnings used in the calculation of basic earnings per share	(403,058,384)	(534,276,826)
Adjustments (describe)		
Earnings used in the calculation of diluted earnings per share (A)	(403,058,384)	(534,276,826)
Weighted average number of equity shares used in the calculation of basic earnings per share	131,000,000	131,000,000
Adjustments [describe]		
Weighted average number of equity shares used in the calculation of diluted earnings per share	131,000,000	131,000,000
Diluted earnings per share (A/B)	(3.08)	(4.08)

27. Financial instruments

27.1 Capital management

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

The capital structure of the company consists of debt (borrowings as detailed in notes) and equity of the Company (comprising issued capital, reserves and subordinated debt from the immediate Parent Company).

27.1.1 Capital Gearing Ratio

The Debt Service Coverage Ratio at end of the reporting period was as follows.

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Debt	9,223,281,340	9,621,369,502	9,519,068,731
Cash and Bank Balances	1,324,634,399	305,853,457	178,677,568
Net Debt (A)	7,898,646,942	9,315,516,045	9,340,391,163
Equity (B)	913,375,410	31,033,940	565,310,765
Net Debt to Equity Ratio in times (A/B)	8.65	300.17	16.52

(i) Debt is defined as long-term, current maturity of long term, short term borrowings and interest accrued thereon

(ii) Total equity is defined as equity share capital and reserves and surplus

27.2 Categories of financial instruments

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Financial assets			
Financial Assets measured at amortised cost			
Cash and bank balances	1,324,634,399	305,853,457	178,677,568
Receivables under service concession arrangements	8,983,467,833	9,347,341,615	9,899,370,041
Others	805,512	805,513	4,034,670
Financial liabilities			
Financial Liabilities measured at amortised cost			
Borrowings (including Interest Accrued)	9,223,281,340	9,621,369,502	9,519,068,731
Trade Payables	233,561,244	51,410,329	42,305,740

27.3 Financial risk management objectives

The company's financial risks mainly include market risk (interest rate risk), credit risk and liquidity risk.

27.4 Market risk

The company's activities expose it primarily to the financial risks of changes in interest rates.

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

27.4 Interest rate risk management

Company is paying interest at fixed rate. Hence, does not exposed to interest risk management.

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

27.4.1 Interest rate sensitivity analysis

Company is paying at fixed interest rate, the interest rate sensitivity is not applicable.

27.5 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. The Management believes that the credit risk is negligible since its main receivable is from the grantors of the concession which is a government authority.



27.6 Liquidity risk management

27.6.1 Liquidity and interest risk tables

The following tables detail the company's remaining contractual maturity for its 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 prevailing 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, 2017			As at March 31, 2016			As at April 01, 2015		
	Non-Interest bearing	Variable interest rate Instruments	Fixed interest rate Instruments	Non-Interest bearing	Variable interest rate Instruments	Fixed interest rate Instruments	Non-Interest bearing	Variable interest rate Instruments	Fixed interest rate Instruments
Less than 1 year	233,561,244	-	2,446,630,847	51,410,329	733,344,049	4,076,055,873	42,305,740	729,904,639	2,684,092,806
1-3 Years	-	-	2,109,731,301	-	1,374,608,254	643,553,913	-	1,422,133,461	698,328,856
3 to 5 years	-	-	2,093,978,082	-	1,337,933,402	628,558,550	-	1,365,494,943	635,919,088
5+ years	726,774,397	-	5,358,289,418	-	3,064,738,040	1,968,813,688	-	3,722,995,342	2,278,772,525
Total	960,335,641	-	11,998,629,648	51,410,329	6,510,623,746	7,316,982,023	42,305,740	7,240,528,384	6,297,103,278
Carrying Value	960,335,641	-	8,498,506,943	51,410,329	4,067,517,038	5,553,852,466	42,305,740	5,119,120,412	4,399,948,319
Weighted Average Interest Rate	0.00%	-	9.34%	0.00%	10.74%	7.82%	0.00%	11.01%	9.46%

The following table details the company's expected maturity for its 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 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, 2017			As at March 31, 2016			As at April 01, 2015		
	Non-Interest bearing	Variable interest rate Instruments	Fixed interest rate Instruments	Non-Interest bearing	Variable interest rate Instruments	Fixed interest rate Instruments	Non-Interest bearing	Variable interest rate Instruments	Fixed interest rate Instruments
Less than 1 year	16,727,613	-	2,520,012,040	85,799,210	1,183,572,381	220,867,946	37,587,574	1,134,448,613	142,038,356
1-3 Years	-	-	2,399,895,624	-	2,306,723,199	-	-	2,320,818,811	-
3 to 5 years	-	-	2,382,028,818	-	2,260,013,184	-	-	2,295,117,436	-
5+ years	805,512	-	6,985,250,717	-	7,384,018,091	-	-	8,499,412,032	-
Total	17,533,125	-	14,287,187,300	85,799,210	13,114,324,854	220,867,946	37,587,574	14,249,796,893	142,038,356
Carrying Value	17,533,125	-	10,287,367,833	85,799,210	9,348,201,374	220,000,000	37,587,574	9,904,150,568	140,344,137

The amounts included above for variable interest rate instruments for financial 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.

27.6.2 Financing facilities

As at the reporting date there are no unused bank overdraft facilities and bank loan facilities which may be extended by mutual agreement.

27.7 Fair value measurements

27.7.1 Fair value measurements

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

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

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

	As at March 31, 2017		As at March 31, 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at amortised cost:	8,983,467,833	8,983,467,833	9,347,341,615	9,347,341,615
Receivables under service concession	8,983,467,833	8,983,467,833	9,347,341,615	9,347,341,615
Financial liabilities				
Financial liabilities held at amortised cost:	9,223,281,340	9,223,281,340	9,621,369,502	9,621,369,502
Borrowings (including Interest Accrued)	9,223,281,340	9,223,281,340	9,621,369,502	9,621,369,502

Fair value as at March 31, 2017

Particulars	As at March 31, 2017	As at March 31, 2016
Financial assets		
Financial assets at amortised cost:		
Receivables under service concession	8,983,467,833	9,347,341,615
Total	8,983,467,833	9,347,341,615
Financial liabilities		
Financial liabilities held at amortised cost:		
Borrowings (including Interest Accrued)	9,223,281,340	9,621,369,502
Total	9,223,281,340	9,621,369,502



28. Capital Commitments

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	17,427,808	40,726,188
(b) Estimated amount of contracts remaining to be executed on Operation and Maintenance and not provided for	379,329,731	998,044,448	1,056,146,031
(c) Estimated amount of contracts remaining to be executed on Overlay expenses and not provided for	745,022,613	-	-
Total	1,124,352,344	1,015,472,256	1,096,872,219

29. Contingent liabilities and contingent assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) Claims against the Company not acknowledged as debt			
- Demand for Assessment Year 2011-12 for which the Company's appeal is pending with the appellate authority	1,697,720	1,697,720	1,697,720
- Demand for Assessment Year 2012-13 for which the Company's appeal is pending with the appellate authority	2,801,010	2,801,010	2,801,010
(b) Other money for which the company is contingently liable			
- Contingent liabilities incurred by the Company arising from its NCD Refinance	64,800,000	-	-

30. Note on demonitisation

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

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	1,000	351	1,351
(+) Permitted receipts	-	-	-
(+) withdrawals	-	1,500	1,500
(-) Permitted payments	-	1,440	1,440
(-) Amount Deposited	1,000	-	1,000
Closing cash in hand as on 30.12.2016	-	411	411



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

31. Related Party Disclosures

As at March 31, 2017

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

Nature of Relationship	Name of Entity	Abbreviation used
Holding Company :	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries (Only with whom there have been transaction during the period/ there was balance outstanding at the year end)	ISSL CPG BPO Private Limited IL&FS Financial Services Limited	ISSL IFIN
Key Management Personnel ("KMP")	Gautam Tandasi	Manager
	Chandrakant Jagasia	Chief Financial Officer
	Dilip Darji	Company Secretary
	Sanjay Minglani	Director
	Vijay Kini	
	Sumathy Iyer	
	Prashant Agarwal	
	Sanjay Rane	Independent Director
	Paresh Shah	
	Milan Chakravati	
Capt. Swapan Paul		
Other Enterprises having significant influence over HREL	Punj Llyod Limited	PLL

As at March 31, 2016

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

Nature of Relationship	Name of Entity	Abbreviation used
Holding Company	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries (Only with whom there have been transaction during the period/ there was balance outstanding at the year end)	IL&FS Trust Company Limited IL&FS Financial Services Limited ISSL CPG BPO Pvt. Ltd.	ITCL IFIN ISCBPL
Key Management Personnel ("KMP")	Gautam Tandasi	Manager
	Chandrakant Jagasia	Chief Financial Officer
	Dilip Darji	Company Secretary
	Sanjay Minglani	Director
	Vijay Kini	
	Sumathy Iyer	
	M. B. Bajulge upto 19.01.2016	
	Milan Chakravati from 27.05.2015	Independent Director
Paresh Shah from 27.05.2015		
Other Enterprises having significant influence over HREL	Punj Lyod Limited	PLL

As at March 31, 2015

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

Nature of Relationship	Name of Entity	Abbreviation used
Holding Company	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries (Only with whom there have been transaction during the period/ there was balance outstanding at the year end)	IL&FS Trust Company Limited IL&FS Securities Services Limited IL&FS Financial Services Limited Elsamex India Pvt. Ltd.	ITCL ISSL IFIN EIPL
Key Management Personnel ("KMP")	Rajnish Saxena - Managing Director till J	Managing Director
	Sanjay Minglani - Managing Director from	
	Chandrakant Jagasia	Chief Financial Officer
	Dilip Darji	Company Secretary
	Harish Mathur	Director
	Mukund Sapre	
	Vijay Kini	
Other Enterprises having significant influence over HREL	Punj Lyod Limited	PLL



Notes forming part of the Financial Statements for the year ended March 31, 2017
Related Party Disclosures (contd.)

For the year ended March 31, 2017

(b) transactions/ balances with above mentioned related parties (mentioned in note 31 above)

Particulars	ITNL	PLL	ISCBPL	IFIN	KMP	Total
Balance						
Equity share Capital	1,309,869,000	131,000				1,310,000,000
Trade Payables	193,877,086			37,537,500		231,414,586
Secured Loan - Sub Debt	500,000,000					500,000,000
Unsecured Term Loan	1,480,000,000					1,480,000,000
Unsecured Short Term Loan	1,307,334,566					1,307,334,566
Interest Accrued and due	40,328,348					40,328,348

Particulars	ITNL	PLL	ISCBPL	IFIN	KMP	Total
Transactions						
Construction Cost	207,095,813					207,095,813
O & M Fees	32,385,022					32,385,022
Overlay Expenses	11,000,000					11,000,000
Interest Cost	401,773,494					401,773,494
Deputation Cost	1,170,337					1,170,337
Legal & Professional Fees	-		18,400			18,400
Advisory Fees				41,112,500		41,112,500
Loan Taken	910,000,000					910,000,000
Loan Repaid	1,605,942,594					1,605,942,594
Director Sitting Fees (Sanjay Minglani)					50,000	50,000
Director Sitting Fees (Vijay Kini)					130,000	130,000
Director Sitting Fees (Sumathy Iyer)					60,000	60,000
Director Sitting Fees (Prashant Agarwal)					50,000	50,000
Independent Director (Sanjay Rane)					30,000	30,000
Independent Director (Paresh Shah)					60,000	60,000
Independent Director (Milan Chakravaty)					140,000	140,000
Independent Director (Capt. Swapan Paul)					20,000	20,000

For the year ended March 31, 2016

Particulars	ITNL	PLL	ISCBPL	ITCL	IFIN	KMP	Total
Balance							
Share Capital	1,309,869,000	131,000		-			1,310,000,000
Trade Payables	47,268,808			-			47,268,808
Secured Loan - Sub Debt	500,000,000			-			500,000,000
Unsecured Short Term Loan	3,483,277,160			-			3,483,277,160
Deposit Given				1,000			1,000

Particulars	ITNL	PLL	ISCBPL	ITCL	IFIN	KMP	Total
Transactions							
Construction Cost	89,049,804			-			89,049,804
O & M Fees	58,101,583			-			58,101,583
Interest Cost	462,263,699			-			462,263,699
Deputation Cost	1,110,304			-			1,110,304
Legal & Professional Fees			17,175				17,175
Security Trustee Fees paid	-			568,633			568,633
Finance Charges	-			-	11,400,000		11,400,000
Loan Taken	1,969,477,160			-			1,969,477,160
Loan Repaid	690,000,000			-			690,000,000
Director Sitting Fees (Sanjay Minglani)						40,000	40,000
Director Sitting Fees (Vijay Kini)						90,000	90,000
Director Sitting Fees (Sumathy Iyer)						40,000	40,000
Director Sitting Fees (M. B. Bajulge)						30,000	30,000
Independent Director (Milan Chakravaty)						90,000	90,000
Independent Director (Paresh Shah)						90,000	90,000

For the year ended March 31, 2015

Particulars	ITNL	PLL	ISSL	ITCL	IFIN	KMP	Total
Balance							
Share Capital	1,309,869,000	131,000		-			1,310,000,000
Trade Payables	35,611,618			-	1,921		35,613,539
Secured Loan - Sub Debt	500,000,000			-			500,000,000
Unsecured Short Term Loan	2,203,800,000			-			2,203,800,000
Deposit Given				1,000			1,000

Particulars	ITNL	PLL	ISSL	ITCL	IFIN	KMP	Total
Transactions							
Construction Cost	557,534,048			-			557,534,048
O & M Fees	55,334,843			-			55,334,843
Interest Cost	282,715,506			-			282,715,506
Deputation Cost	1,050,022			-			1,050,022
Legal & Professional Fees			16,854				16,854
Security Trustee Fees paid	-			898,880			898,880
Finance Charges	-			-			-
Loan Taken	1,268,800,000			-			1,268,800,000
Loan Repaid	385,000,000			-			385,000,000
Director Sitting Fees (Sanjay Minglani)						35,000	35,000
Director Sitting Fees (Harish Mathur)						15,000	15,000
Director Sitting Fees (Mukund Sapre)						20,000	20,000
Director Sitting Fees (Vijay Kini)						10,000	10,000



Note - 32

Significant terms of Service Concession Arrangements.

Particulars	Project 1
Brief description of Concession	The Company has entered into a Concession Agreement with National Highways Authority of India (NHAI) on October 08, 2009 to Design, Engineer, Finance, Procure, Construct, Operate and Maintain 4 laning Hazaribagh-Ranchi section of NH-33 from km 40.500 to km 114.000 in the State of Jharkhand on Build, Operate and Transfer (Annuity) basis. The Concession Agreement envisages concession for a period of 18 years commencing from the Appointed date August 01, 2010 including construction period of 910 days required for 4 laning of the Project. The Company is entitled to receive half yearly Annuity of Rs.64.08Cr
Nature of Assets	Financial Asset
Year when SCA granted	2010
Period	18 years
Stage	Under Operation and Maintenance
Premature Termination	Force Majure or on event of default by either party
Overlay	Has to be incurred as and when the riding quality falls below the standards specified in the Concession Agreement

33. Segment Reporting

The company operates in a single business segment viz. Surface Transportation Business. Also it operates in a single geographic segment. In the absence of separate reportable business or geographic segments the disclosures required under the Indian Accounting Standard (INDAS) 108 on 'Operating Segments' are not applicable.

34. Approval of Financial Statements:

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

35. Previous year

Figures for the previous year have been regrouped, reclassified where necessary, to conform to the classification of the current year.

For Luthra & Luthra
Chartered Accountants
Firm Registration No.002081N

Akhilesh Gupta
Partner
Mem. No. : 89909



For and on behalf of the Board

Vijay Kini
Director
Din:06612768

Chandrakant Jagasia
Chief Financial Officer

Prashant Agarwal
Director
Din:02348083

Dilip Darji
Company Secretary

Place: Mumbai
Date: May 10, 2017

Place: Mumbai
Date: May 10, 2017