

**KARYAVATTOM SPORTS FACILITIES LIMITED**

**FINANCIAL STATEMENTS**

**2016-2017**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Karyavattom Sports Facilities Limited

**Report on the Ind AS Financial Statements**

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



## Opinion

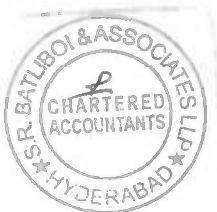
In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of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

## Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 26 to the accompanying Ind AS financial statements regarding the impact on account of additional works/ revised project specification/ recent developments, which have been determined based on the management estimates and/or technical evaluation by independent experts.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position ;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company ; and
- iv. The Company has provided requisite disclosures in Note 8.1 to these Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our enquiries, test check of the books of account and other details maintained by the Company and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



**per Shankar Srinivasan**

Partner

Membership Number: 213271

Place of Signature: Hyderabad

Date: May 10, 2017



**Annexure 1 to the Independent Auditors' Report**

Re: Karyavattom Sports Facilities Limited ('the Company')

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
- b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment/ fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products of the Company.
- (vii) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, , service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding dues in respect of a financial institution or to government or debenture holders during the year.



# **S.R. BATLIBOI & ASSOCIATES LLP**

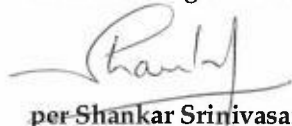
Chartered Accountants

- (ix) Based on our audit procedures and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no managerial remuneration has been paid / provided by the Company during the year. Therefore the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



**per Shankar Srinivasan**

Partner

Membership Number: 213271

Place: Hyderabad

Date: May 10, 2017



**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE Ind AS FINANCIAL STATEMENTS OF KARYAVATTOM SPORTS FACILITIES LIMITED**

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

To the Members of Karyavattom Sports Facilities Limited

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

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

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

**Auditor's Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

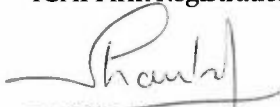
## **Opinion**

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

## **Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of the Company, which comprise the Balance Sheet as at March 31, 2017, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 04, 2017 expressed an unqualified opinion.

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004



per Shankar Srinivasan  
Partner  
Membership Number: 213271

Place: Hyderabad  
Date: May 10, 2017





**Karyavattom Sports Facilities Limited**

**Balance sheet as at March 31, 2017**

(All amounts in Indian Rupees except as otherwise stated)


	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non-current assets</b>				
Property, plant and equipment	3	1,707,336	890,450	1,059,341
Intangible assets	4	1,577,079,465	1,348,140,779	-
Intangible assets under development	4	-	348,193,023	1,451,621,491
Financial assets				
Others	5A	1,237,617,991	1,494,282,537	1,263,881,980
Other non-current assets	6	81,674	-	21,677,187
Non-current tax assets	12	1,311,103	530,948	758,587
		<b>2,817,797,569</b>	<b>3,192,037,737</b>	<b>2,738,998,586</b>
<b>Current assets</b>				
Financial assets				
Trade receivables	6	1,650,000	-	-
Cash and cash equivalents	8A	47,330,152	69,055,856	44,339,386
Other bank balances	8B	-	65,200,000	-
Others	5A	691,870,188	600,112,591	349,106,315
Other current assets	7	2,038,697	2,376,125	601,761
		<b>742,889,037</b>	<b>736,744,572</b>	<b>394,047,462</b>
<b>Total assets</b>		<b>3,560,686,606</b>	<b>3,928,782,309</b>	<b>3,133,046,048</b>
<b>Equity</b>				
Equity Share Capital	10	431,200,000	431,200,000	431,200,000
Other Equity				
Retained earnings		(105,863,755)	91,357,398	63,532,632
<b>Total equity</b>		<b>325,336,245</b>	<b>522,557,398</b>	<b>494,732,632</b>
<b>Non-current liabilities</b>				
Financial Liabilities				
Borrowings	11A	2,488,456,711	2,690,039,995	2,137,524,654
Other non-current financial liabilities	11C	2,942,000	2,903,975	6,035,562
Deferred tax liabilities (net)	9	-	42,400,572	29,694,151
		<b>2,491,398,711</b>	<b>2,735,344,542</b>	<b>2,173,254,367</b>
<b>Current liabilities</b>				
Financial Liabilities				
Borrowings	11B	280,000,000	170,000,000	-
Trade payables				
- Outstanding dues to micro enterprises and small enterprises	11D	-	-	-
- Outstanding dues to creditors other than micro enterprises and small enterprises	11D	18,424,811	12,943,797	11,738,670
Other current financial liabilities	11E	444,085,476	480,832,407	451,381,816
Other current liabilities	12	1,441,363	7,104,165	1,938,563
		<b>743,951,650</b>	<b>670,880,369</b>	<b>465,059,049</b>
<b>Total equity and liabilities</b>		<b>3,560,686,606</b>	<b>3,928,782,309</b>	<b>3,133,046,048</b>
Significant accounting policies	2.1			

The accompanying notes are an integral part of the financial statements  
As per our report of even date

**For S.R. BATLIBOI & ASSOCIATES LLP**

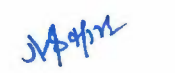
Chartered Accountants


ICAI Firm registration number: 101049W/E300004

  
per **Shankar Srinivasan**  
Partner  
Membership No: 213271



**For and on behalf of the Board of Directors of  
Karyavattom Sports Facilities Limited**

  
Director  
DIN: 00051841

  
Director  
DIN: 03612820

  
Chief Financial Officer

  
Company Secretary

Place: Hyderabad  
Date: May 10, 2017

Place: Mumbai  
Date: May 10, 2017




Karyavattom Sports Facilities Limited  
Statement of Profit and Loss for the year ended March 31, 2017  
(All amounts in Indian Rupees except as otherwise stated)

	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>I. INCOME</b>			
Revenue from operations	14	21,163,474	685,957,822
Other income	15	14,997,578	3,321,136
Finance income	16	303,850,000	320,951,572
<b>Total income - I</b>		<b>340,011,052</b>	<b>1,010,230,530</b>
<b>II. Expenses</b>			
Construction costs	17A	-	622,947,081
Operating expenses	17B	4,310,000	39,714,551
Employee benefits expenses	18	732,626	1,078,139
Other expenses	20	69,679,028	41,850,746
Depreciation and amortization expense	19	139,470,209	31,439,309
Finance expenses	21	365,440,914	232,669,517
<b>Total expense - II</b>		<b>579,632,777</b>	<b>969,699,343</b>
<b>(Loss)/Profit before tax - (I - II)</b>		<b>(239,621,725)</b>	<b>40,531,187</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax (income)/expense		(42,400,572)	12,706,421
<b>Income tax expense</b>		<b>(42,400,572)</b>	<b>12,706,421</b>
<b>(Loss)/Profit for the year</b>		<b>(197,221,153)</b>	<b>27,824,766</b>
<b>Other comprehensive income for the year, net of tax</b>		-	-
<b>Total comprehensive income for the year</b>		<b>(197,221,153)</b>	<b>27,824,766</b>
Earnings per share of Rs. 10 each fully paid up (March 31, 2016: Rs. 10 each fully paid up Computed on the basis of total profit for the year	21		
Basic (Rs.)		(4.57)	0.65
Diluted (Rs.)		(4.57)	0.65

Significant accounting policies 2.1  
The accompanying notes are an integral part of the financial statements

As per our report of even date


For S.R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004

  
per Shankar Srinivasan  
Partner  
Membership No: 213271



For and on behalf of the Board of Directors of  
Karyavattom Sports Facilities Limited

  
Director  
DIN: 00051841

  
Director  
DIN: 03612820

  
Chief Financial Officer

  
Company Secretary

Place: Hyderabad  
Date: May 10, 2017

Place: Mumbai  
Date: May 10, 2017



Karyavattom Sports Facilities Limited  
Statement of cashflows for the year ended March 31, 2017  
(All amounts in Indian Rupees except as otherwise stated)

	Notes	March 31, 2017	March 31, 2016
<b>Operating activities</b>			
(Loss)/Profit before tax		(239,621,725)	40,531,187
<b>Adjustments to reconcile profit before tax to net cash flows:</b>			
Depreciation and impairment of property, plant and equipment	3	747,641	248,391
Amortisation and impairment of intangible assets	5	138,722,568	31,190,918
Allowances for doubtful debts and advances		3,255,066	-
Interest income	15	(9,420,605)	(3,278,476)
Finance income	16	(303,850,000)	(320,951,572)
Finance costs	21	365,344,661	232,614,547
<b>Working capital adjustments:</b>			
Increase in other assets		255,754	10,611,154
Increase in trade payables		5,481,014	1,205,128
(Decrease)/Increase in other liabilities		(13,373,776)	9,783,015
(Decrease) in trade receivables		(4,905,066)	-
Increase/(Decrease) in other receivables		468,277,970	(159,473,822)
		410,913,502	(157,519,530)
Income tax paid		(780,155)	227,639
<b>Net cash flows from/(used in) operating activities</b>		<b>410,133,347</b>	<b>(157,291,891)</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(1,564,527)	(79,500)
Intangible asset		(82,962,790)	(270,722,369)
Interest received ( bank deposits)		10,117,010	2,297,342
Investment in fixed deposits		65,200,000	(65,200,000)
<b>Net cash flows used in investing activities</b>		<b>(9,210,307)</b>	<b>(333,704,527)</b>
<b>Financing activities</b>			
Interest paid		(331,065,460)	(327,562,851)
Proceeds from current borrowings		110,000,000	170,000,000
Proceeds from non-current borrowings		-	768,800,000
Repayment of non-current borrowings		(201,583,284)	(95,524,261)
<b>Net cash flows from/(used in) financing activities</b>		<b>(422,648,744)</b>	<b>515,712,888</b>
Net increase in cash and cash equivalents		(21,725,704)	24,716,470
Cash and cash equivalents at the beginning of the year	10	69,055,856	44,339,386
<b>Cash and cash equivalents at year end</b>	<b>10</b>	<b>47,330,152</b>	<b>69,055,856</b>

The accompanying notes are an integral part of the financial statements  
As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004

  
per Shankar Srinivasan  
Partner



Membership No: 213271

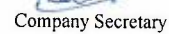
Place: Hyderabad  
Date: May 10, 2017

For and on behalf of the Board of Directors of  
Karyavattom Sports Facilities Limited

  
Director  
DIN: 00051841

  
Director  
DIN: 03612820

  
Chief Financial Officer

  
Company Secretary

Place: Mumbai  
Date: May 10, 2017

**Karyavattom Sports Facilities Limited**  
**Statement of changes in equity for the year ended March 31, 2017**  
 (All amounts in Indian Rupees except as otherwise stated)

**a. Equity Share Capital:**

Equity shares of Rs. 10 each issued, subscribed and fully paid  
 At April 1, 2015  
 At March 31, 2016  
 At March 31, 2017

No.	Rs.
43,120,000	431,200,000
43,120,000	431,200,000
<b>43,120,000</b>	<b>431,200,000</b>

**b. Other Equity:**

For the year ended March 31, 2017

As at April 1, 2016  
 Loss for the year  
 Total comprehensive income

Retained earnings	Total equity
91,357,398	91,357,398
(197,221,153)	(197,221,153)
(197,221,153)	(197,221,153)
<b>(105,863,755)</b>	<b>(105,863,755)</b>

At March 31, 2017

For the year ended March 31, 2016

As at April 1, 2015  
 Profit for the year  
 Total comprehensive income

Retained earnings	Total equity
63,532,632	63,532,632
27,824,766	27,824,766
27,824,766	27,824,766
<b>91,357,398</b>	<b>91,357,398</b>


At March 31, 2016


For S.R. BATLIBOI & ASSOCIATES LLP  
 Chartered Accountants  
 ICAI Firm registration number: 101049W/E300004

  
 per Shankar Srinivasan  
 Partner  
 Membership No: 213271




For and on behalf of the Board of Directors of  
 Karyavattom Sports Facilities Limited

  
 Director  
 DIN: 00051941

  
 Director  
 DIN: 03612820



  
 Chief Financial Officer

  
 Company Secretary

Place: Hyderabad  
 Date: May 10, 2017

Place: Mumbai  
 Date: May 10, 2017

## 1 Corporate Information

Karyavattom Sports Facilities Limited ("KSFL") ("the Company") is a public limited company incorporated and domiciled in India on November 4, 2011 with its registered office at The ILFS Financial Centre, Plot No - C 22, G Block, Bandra Kurla complex, Bandra (East), Mumbai - 400051.

The Company has been set up as a Special Purpose Vehicle promoted by IL&FS Transportation Networks Limited (ITNL) to undertake development of a Greenfield Stadium ("the stadium") at Karyavattom in Thiruvananthapuram, Kerala, on Design, Build, Operate and Transfer (DBOT) model.

The financial statements of the Company for the year ended March 31, 2017 were authorized for issue in accordance with a resolution of directors on May 04, 2017.

### Service concession agreement entered into between Karyavattom Sports Facilities Limited, University of Kerala and National Games Secretariat ("NGS")

University of Kerala and NGS, a society under Travancore – Cochin Literary Scientific and Charitable Societies Act – 1955 have entered into a Concession Agreement ("the agreement") with the Company on April 04, 2012 for development of the stadium at Karyavattom, Thiruvananthapuram, Kerala on Develop, Build, Operate and Transfer (DBOT) basis ("the project"). The project is designed as a multi-use facility capable of hosting international sporting events of Cricket and Football as well as national level indoor sporting events. In addition to the sports facilities, the project is capable of providing space for retail outlets, convention hall for conducting events, club and other recreational facilities.

The agreement has granted a concession period of 15 years including construction period of two years. The Company is entitled to annuity amount specified in the agreement and is entitled to levy, demand and collect fees from the users of the project facilities. The Company shall transfer the project to NGS in accordance with the agreement on the completion of the concession period.

The Company has made the project available for the opening and closing ceremony of the 35th National Games and the Provisional Commercial Operation Date Certificate as per the terms of agreement had been declared as on January 27, 2015. The Company has achieved Commercial Operation Date as per the term of the agreement on February 28, 2016.

## 2 Significant Accounting Policies

### 2.1 Basis of preparation

In accordance with the notification issued by Ministry of Corporate Affairs, the Company is required to prepare its financial statements under Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 with effect from April 1, 2016. Accordingly, the Company's management has now prepared Ind AS financial statements which comprise the Balance Sheets as at March 31, 2017 and March 31, 2016, the Opening Balance Sheet as at April 1, 2015 (transition date balance sheet), the Statements of Profit and Loss, the Statements of Cash Flows and the Statements of Changes in Equity for the year ended March 31, 2017 and for the year ended March 31, 2016, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Ind AS Financial Statements").

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance 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 financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind AS. Refer to note 32 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost and fair value basis (wherever applicable) and on an accrual basis.

The financial statements are presented in Indian rupees (INR), except when otherwise indicated.

### 2.2 Summary of significant accounting policies

#### a. Basis of accounting of service concession arrangement

The Company has determined that Appendix A to IND AS 11 on "Service Concession Arrangements (SCA)" is applicable to the concession agreement and hence has applied it in accounting for the same.

Under Appendix A to Ind AS 11, concession arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Company receives a right to charge users of the public service. The financial asset model is used when the Company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services.

The Company has determined that both intangible asset model and financial asset model are applicable to the agreement as the Company is entitled to receive fixed annuities (financial asset) due at the end of the every year and is also entitled to charge users for facilities provided (intangible asset).

Any asset carried under concession agreement is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

#### i. Recognition and measurement

The Company is building Stadium under a public-private Service Concession Arrangements (the SCA) which it will operate and maintain for period specified in the SCA.

Under the SCA, where the Company has acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as "Financial Assets", even though payments are contingent on the Company ensuring that the infrastructure meets the specified quality or efficiency requirements. Such financial assets are classified as "Receivables against Service Concession Arrangement".

In addition to above mentioned amounts the Company has also received the right to charge users of the stadium, such rights are recognised and classified as "Intangible Assets". Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the stadium and thus are recognised and classified as intangible assets. Such an intangible asset is recognised by the Company at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when each component of the project is complete in all respects.

Consideration for various services (i.e. construction or upgrade services, operation and maintenance services, overlay services) under the SCA is allocated on the basis of costs actually incurred or the estimates of cost of services to be delivered.

#### ii. Revenue recognition

Revenue from financial asset is recognised in the statement of profit and loss as finance income calculated using the effective interest method from the year in which construction activities started.

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

#### iii. Revenue from construction contracts

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

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

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



Costs incurred for rendering the construction services, exchanged for the intangible asset and financial asset, include all costs that are directly related to the construction of the project and include all overheads other than those relating to general administration of the Company.

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

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

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

*iv. Borrowing costs*

Project specific borrowing costs are capitalized to the extent that they relate to the intangible asset until the capitalization of intangible asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Where funds are temporarily invested pending their expenditures on the intangible asset, any investment income earned, to the extent that it relates to the intangible asset are reduced from the borrowing cost capitalized.

*v. Amortisation of Intangible asset under SCA*

The intangible rights which are recognised in the form of right to charge users of the project are amortized on a straight line basis from the date of capitalization over the concession period.

**b. Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Lease income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

**c. Borrowing costs**

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

**d. Employee benefits**

*i. Retirement benefit costs and termination benefits*

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

*ii. Short-term and other long-term employee benefits*

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

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

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

**e. Taxes**

*i. Current tax*

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

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

*ii. Deferred tax*

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

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

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

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

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

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



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.

All assets are depreciated on a Straight Line Method (SLM) of Depreciation, over the useful life of assets as prescribed under Schedule II of the Companies Act, 2013 other than assets specified in para below

Vehicles are depreciated over a useful life of 5 years which is shorter than the life prescribed under Schedule II of the Companies Act, 2013 based on internal technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc.:

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.

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.

#### g. Impairment of tangible and intangible assets

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

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

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

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

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

#### h. Provisions

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

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

#### j. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Financial assets

###### *Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

###### *Subsequent measurement*

For purposes of subsequent measurement, the Company has following class of financial asset :  
- Debt instruments at amortised cost

###### *Debt instruments at amortised cost*

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- This category is the most relevant to the Company. 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. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 6.



A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

#### *Impairment of financial assets*

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these illustrative financial statements)
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

#### Financial liabilities

##### *Initial recognition and measurement*

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.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

##### *Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 11.

##### *Financial guarantee contracts*

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

##### *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **k. Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.





**l. 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.

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.

**m. Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

For revenue recognised under service concession arrangement, refer point (a) above.

**Interest income :**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

**n. Cash flow statement**

The Cash Flow statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and present cash flows by operating, investing and financing activities of the Company.

**o. 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.



3. Property, plant and equipment

	Office equipment	Vehicles	Data processing equipments	Furniture and fixtures	Total Property, plant and equipment
<b>Gross block</b>					
At April 1, 2015	200,995	1,318,270	-	67,858	1,587,123
Additions	25,000	-	54,500	-	79,500
Disposals	-	-	-	-	-
At March 31, 2016	225,995	1,318,270	54,500	67,858	1,666,623
Additions	147,200	-	100,610	1,316,717	1,564,527
Disposals	-	-	-	-	-
At March 31, 2017	373,195	1,318,270	155,110	1,384,575	3,231,150
<b>Depreciation</b>					
At April 1, 2015	86,004	429,411	-	12,367	527,782
Charge for the year	56,445	166,661	18,167	6,780	248,053
Adjustment	338	-	-	-	338
Disposals	-	-	-	-	-
At March 31, 2016	142,787	596,072	18,167	19,147	776,173
Charge for the year	54,690	634,312	44,445	14,194	747,641
Disposals	-	-	-	-	-
At March 31, 2017	197,477	1,230,384	62,612	33,341	1,523,814
<b>Net book value</b>					
At April 1, 2015	114,991	888,859	-	55,491	1,059,341
At March 31, 2016	83,208	722,198	36,333	48,711	890,450
At March 31, 2017	175,718	87,886	92,498	1,351,234	1,707,336
<b>Net book value</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>	<b>01-Apr-15</b>		
Plant, property and equipment	1,707,336	890,450	1,059,341		

4. Intangible assets

	Intangible rights under SCA	Intangible asset under development under SCA
<b>Gross block</b>		
At April 1, 2015	-	1,451,621,491
Additions - being internally developed	1,379,331,697	275,903,229
Less - Capitalised	-	(1,379,331,697)
At March 31, 2016	1,379,331,697	348,193,023
Additions - being internally developed	367,661,254	19,468,231
Less - Capitalised	-	(367,661,254)
At March 31, 2017	1,746,992,951	-
<b>Amortization</b>		
At April 1, 2015	-	-
Charge for the year	31,190,918	-
At March 31, 2016	31,190,918	-
Charge for the year	138,722,568	-
At March 31, 2017	169,913,486	-
<b>Net book value</b>		
At April 1, 2015	-	1,451,621,491
At March 31, 2016	1,348,140,779	348,193,023
At March 31, 2017	1,577,079,465	-

Capitalised borrowing costs

The Company started the construction of the project in May 2012. This project has been completed in July 2016. The carrying amount of the Intangible asset of Facility at March 31, 2017 was Rs. 1,576,010,094 (March 31, 2016: Intangible asset - Rs. 1,348,140,779 and Intangible asset under development - Rs. 348,193,023, April 1, 2015: Intangible asset under development - Rs. 1,451,621,491). The facility is financed by borrowings from banks and subordinate debt from a related party.

The amount of borrowing costs capitalised during the year ended March 31, 2017 was Rs. 259,168,522 (March 31, 2016: Amount capitalised under Intangible asset - Rs. 192,321,538 and Intangible asset under development - Rs. 57,281,582, up to April 1, 2015: Amount capitalised under Intangible asset under development - Rs. 154,654,818). The rate used to determine the amount of borrowing costs eligible for capitalisation is the effective interest rate of the borrowings.

No borrowing costs are capitalised on Property, plant and equipment.



5. Financial Assets

	March 31, 2017	March 31, 2016	April 1, 2015
<b>A. Others</b>			
<b>Non Current (unsecured, considered good unless stated otherwise)</b>			
Security Deposits	1,807,991	1,864,847	1,855,100
Bank deposits	1,700,000	1,700,000	1,700,000
Receivable under service concession agreement	1,234,110,000	1,490,717,690	1,260,326,880
	<u>1,237,617,991</u>	<u>1,494,282,537</u>	<u>1,263,881,980</u>
<b>Current (unsecured, considered good unless stated otherwise)</b>			
Interest accrued on deposits	519,482	998,460	17,021
Other receivables	11,450,706	12,574,131	12,089,294
Receivable under service concession agreement	679,900,000	586,540,000	337,000,000
	<u>691,870,188</u>	<u>600,112,591</u>	<u>349,106,315</u>

Break up of financial assets carried at amortised cost

	March 31, 2017	March 31, 2016	April 1, 2015
Receivable under service concession agreement	1,914,010,000	2,077,257,690	1,597,326,880
	<u>1,914,010,000</u>	<u>2,077,257,690</u>	<u>1,597,326,880</u>

Other receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

The Other receivables having a maturity period of more than a year are classified as non current assets and those that have an original maturity period of 1 year or less are classified as current assets.

6. Trade receivables - Current

	March 31, 2017	March 31, 2016	April 1, 2015
Trade receivables	4,905,066	-	-
<b>Total Trade receivables</b>	<u>4,905,066</u>	<u>-</u>	<u>-</u>

Break-up for security details:

<b>Trade receivables</b>			
Unsecured, considered good	1,650,000	-	-
Doubtful	3,255,066	-	-
	<u>4,905,066</u>	<u>-</u>	<u>-</u>

Impairment Allowance (allowance for bad and doubtful debts)

Unsecured, considered good	-	-	-
Doubtful	(3,255,066)	-	-
<b>Total Trade receivables</b>	<u>1,650,000</u>	<u>-</u>	<u>-</u>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are interest bearing and are generally on terms of 0 to 10 days. No interest is charged on trade receivables for the first 10 days from the date of the invoice. Thereafter, interest is charged at 18% per annum on the outstanding balance.

7. Other assets

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Non-Current (unsecured, considered good unless otherwise stated)</b>			
Capital Advances	-	-	9,291,669
Balances with Statutory/Government Authorities	81,674	-	12,385,518
	<u>81,674</u>	<u>-</u>	<u>21,677,187</u>
<b>Current (unsecured, considered good unless otherwise stated)</b>			
Advances recoverable in cash or kind	96,000	212,527	96,000
Prepayments	1,942,697	2,163,598	505,761
	<u>2,038,697</u>	<u>2,376,125</u>	<u>601,761</u>

8. Cash and cash equivalents and other bank balances

	March 31, 2017	March 31, 2016	April 1, 2015
<b>A. Cash and cash equivalents</b>			
Balances with Banks			
- On Current Accounts	6,274,935	19,047,254	16,339,343
- Deposits with original maturity of less than three months	41,000,000	50,000,000	28,000,000
Cash on hand	55,217	8,602	43
	<u>47,330,152</u>	<u>69,055,856</u>	<u>44,339,386</u>
<b>B. Other bank balances</b>			
On deposit accounts			
Remaining maturity of more than twelve months	1,700,000	1,700,000	1,700,000
Remaining maturity of less than twelve months	-	65,200,000	-
	<u>1,700,000</u>	<u>66,900,000</u>	<u>1,700,000</u>
Less: Amount disclosed in other assets	(1,700,000)	(1,700,000)	(1,700,000)
	<u>-</u>	<u>65,200,000</u>	<u>-</u>

The carrying value of cash and current account balances in banks are representative of fair values at respective balance sheet dates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.



**Karyavattom Sports Facilities Limited**  
**Notes to financial statements for the year ended March 31, 2017**  
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For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	March 31, 2017	March 31, 2016	April 1, 2015
Balances with banks:			
-- On current accounts	6,274,935	19,047,254	16,339,343
-- Deposits with original maturity of less than three months	41,000,000	50,000,000	28,000,000
Cash on hand	55,217	8,602	43
	<u>47,330,152</u>	<u>69,055,856</u>	<u>44,339,386</u>

**8.1 Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 08, 2016	-	24,718	24,718
(+) Permitted receipts	-	174,000	174,000
(-) Permitted payments	-	(171,551)	(171,551)
(-) Amount deposited in banks	-	-	-
Closing cash in hand as on December 30, 2016	-	27,167	27,167



9. Deferred tax (asset)/liability (Net)

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Deferred tax liability</b>			
Income tax at the applicable rate on Property, Plant & Equipment, Intangible Asset and Financial asset	251,610,259	128,206,750	34,567,428
<b>Deferred tax asset</b>			
Income tax at the applicable rate on unabsorbed business loss and unabsorbed depreciation	(251,610,259)	(85,806,178)	(4,873,277)
	(251,610,259)	(85,806,178)	(4,873,277)
<b>Deferred tax (asset)/liability (Net)</b>	-	42,400,572	29,694,151

Deferred tax (assets)/liabilities:

For the year ended March 31, 2016:

	Opening Balance	Recognised in profit & loss	Closing balance
Income tax at the applicable rate on Property, Plant & Equipment, Intangible Asset and Financial asset	34,567,428	93,639,322	128,206,750
Income tax at the applicable rate on unabsorbed business loss and depreciation	(4,873,277)	(80,932,901)	(85,806,178)
	29,694,151	12,706,421	42,400,572

For the year ended March 31, 2017:

	Opening Balance	Recognised in profit & loss	Closing balance
Income tax at the applicable rate on Property, Plant & Equipment, Intangible Asset and Financial asset	128,206,750	123,403,509	251,610,259
Income tax at the applicable rate on unabsorbed business loss and depreciation	(85,806,178)	(165,804,081)	(251,610,259)
	42,400,572	(42,400,572)	-

10. Share Capital

Authorised Share Capital  
600,00,000 Equity shares of Rs.10 each

March 31, 2017	March 31, 2016	April 1, 2015
600,000,000	600,000,000	600,000,000
600,000,000	600,000,000	600,000,000

10.1 Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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 proportion to the number of equity shares held by the shareholders.

Issued, Subscribed and Paid Up  
43,120,000 Equity shares of Rs.10 each

March 31, 2017	March 31, 2016	April 1, 2015
431,200,000	431,200,000	431,200,000
431,200,000	431,200,000	431,200,000

10.2 Reconciliation of share outstanding at the beginning and at the end of the reporting period  
Equity Shares of Rs.10 Each, Fully paid up

	Number	Rs.
As at April 1, 2015		
Issued during the year	43,120,000	431,200,000
As at March 31, 2016		
Issued during the year	43,120,000	431,200,000
As at March 31, 2017	43,120,000	431,200,000

10.3 Shares held by holding / ultimate holding company and/ or their subsidiaries/ associates  
Out of equity shares issued by the company, shares held by its holding company are as below:

	March 31, 2017	March 31, 2016	April 1, 2015
Name of the share holder	Number	Number	Number
IL&FS Transportation Networks Limited	43,120,000	43,120,000	43,120,000

10.4 Details of Shareholders holding more than 5% shares of the Company:

Equity shares of Rs. 10 each held by IL&FS Transportation Networks Limited	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number	%	Number	%	Number	%
	43,120,000	100%	43,120,000	100%	43,120,000	100%



11. Financial liabilities

	Effective interest rate	Maturity	March 31, 2017	March 31, 2016	April 1, 2015
<b>A. Non-current borrowings</b>					
<b>Term Loan</b>					
<b>From Bank</b>					
Indian rupee senior debt (secured)	11.45%	December, 2026	1,884,656,711	2,086,239,995	1,567,524,654
<b>From other parties</b>					
Indian rupee subordinate debt from related party (unsecured)	13.75%	May, 2027	603,800,000	603,800,000	570,000,000
<b>Total non-current Borrowings</b>			<b>2,488,456,711</b>	<b>2,690,039,995</b>	<b>2,137,524,654</b>
<b>Current maturity of non-current borrowings</b>					
Indian rupee senior debt (secured)			201,593,294	201,593,294	80,832,896
<b>Total current Borrowings</b>			<b>201,593,294</b>	<b>201,593,294</b>	<b>80,832,896</b>
Less: Amount clubbed under "other current liabilities"			(201,593,294)	(201,593,294)	(80,832,896)
<b>Net current borrowings</b>			<b>-</b>	<b>-</b>	<b>-</b>

(a) Indian rupee senior debt (secured)

Indian rupee senior debt from banks carries interest of base rate plus 1.50%. The loan is secured by first charge on all immovable properties and assets of the Project including mortgage of Project Land, present and future, first charge on all movable, tangible and intangible assets of Project including but not limited to plant & machinery, spares, tools, accessories of Project, all monies lying in escrow account into which all investment in the Project including annuity from authority and all Project revenue would be deposited, assignment of all rights, title, benefits and interest of the Company under Project Agreements to the extent by and in accordance with the Substitution Agreement as per Concession Agreement, Assignment of all rights and benefits under Project guarantee obtained pursuant to Construction Contract, Services and Operations Contract, if any relating to the Project, current assets of the Company including but not limited to Project's book debts, operating cash flows, receivables, commissions, etc and all revenues of whatsoever nature and wherever arising, intangibles, goodwill, uncalled capital (present and future) of the Project. The loan is repayable in 10 structured unequal annual instalments commencing from December 2015.

(b) Indian rupee subordinate debt from related party (unsecured)

The unsecured loan carries interest which is higher by 2% of above mentioned bank loan. The loan is repayable in 13 unequal quarterly instalments commencing from May 2024.

**B. Current Borrowings**

From related parties	March 31, 2017	March 31, 2016	April 1, 2015
Indian rupee subordinate debt from related party (unsecured)	280,000,000	170,000,000	-
<b>Indian rupee subordinate debt from related party (unsecured)</b>	<b>280,000,000</b>	<b>170,000,000</b>	<b>-</b>

**Indian rupee subordinate debt from related party (unsecured)**

Indian rupee subordinate debt Rs. 170,000,000 from related party carries interest rate of 13.50% and is repayable within one year from the date of disbursement i.e June 30, 2015, in the current year the company has requested the lender to roll over the loan with existing terms for one more year and the lender has agreed for the same. As per the original loan agreement interest shall be paid in arrears at the end of each financial quarter and on loan repayment date. In the current year (September, 2016) the Company has entered into an agreement with lender for modification of terms for interest payment with effect from September 30, 2016 as per which, interest shall be accrued and compounded on quarterly basis and the interest accrued shall be paid with the loan at the end of the tenor.

Indian rupee subordinate debt Rs. 110,000,000 from related party carries interest rate of 13.50% and is repayable within one year from the date of disbursement i.e July 01, 2016. As per the original loan agreement interest shall be paid in arrears at the end of each financial quarter and on loan repayment date. In September, 2016 the Company has entered into an agreement with lender for modification of terms for interest payment with effect from September 30, 2016 as per which, interest shall be accrued and compounded on quarterly basis and the interest accrued shall be paid with the loan at the end of the tenor.

**C. Other non-current financial liabilities**

	March 31, 2017	March 31, 2016	April 1, 2015
- Security deposit payable	2,942,000	2,903,975	-
- Retention money payable (from related party)	-	-	6,035,562
	<b>2,942,000</b>	<b>2,903,975</b>	<b>6,035,562</b>

**D. Trade payables**

	March 31, 2017	March 31, 2016	April 1, 2015
- Outstanding dues to creditors other than micro enterprises and small enterprises	7,084,780	10,338,920	5,338,682
- Outstanding dues to related parties (Note 25)	11,340,031	2,604,877	6,399,988
	<b>18,424,811</b>	<b>12,943,797</b>	<b>11,738,670</b>
- Outstanding dues to micro enterprises and small enterprises	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>

**E. Other current financial liabilities**

	March 31, 2017	March 31, 2016	April 1, 2015
Current maturities of non current borrowings (Note 11 A)	201,593,294	201,593,294	80,832,896
Capital Creditors	182,385,525	254,084,919	353,143,725
Interest accrued but not due on borrowings	40,282,249	17,405,194	17,405,195
Interest accrued and due on borrowings	19,824,408	-	-
Retention money payable (from related party)	-	7,749,000	-
	<b>444,085,476</b>	<b>480,832,407</b>	<b>451,381,816</b>

**F. Break up of financial liabilities carried at amortised cost**

	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings (non-current) (note 11 A)	2,488,456,711	2,690,039,995	2,137,524,654
Borrowings (current) (note 11 B)	280,000,000	170,000,000	-
Current maturity of long term loans (note 11 A)	201,593,294	201,593,294	80,832,896
Other non-current financial liabilities (note 11 C)	2,942,000	2,903,975	6,035,562
Trade payables (note 11 D)	18,424,811	12,943,797	11,738,670
Other current financial liabilities (note 11 E)	444,085,476	480,832,407	451,381,816
<b>Total financial liabilities carried at amortised cost</b>	<b>3,435,502,292</b>	<b>3,558,313,468</b>	<b>2,687,513,598</b>

**Terms and conditions of the above financial liabilities:**

- Capital creditors are non-interest bearing and are normally settled on 30-120 day terms.
- Trade payables are non-interest bearing and have an average term of 30-90 day terms.
- Interest payable on related party is settled as per the terms of the agreement
- Interest payable on bank loans is normally settled monthly throughout the financial year
- For terms and conditions with related parties, refer to Note 25

**12. Other Current liabilities**

Statutory dues	March 31, 2017	March 31, 2016	April 1, 2015
	1,441,363	7,104,165	1,938,563
	<b>1,441,363</b>	<b>7,104,165</b>	<b>1,938,563</b>

**13. Income taxes**

Non-current tax assets	March 31, 2017	March 31, 2016	April 1, 2015
Advance tax (net)	1,311,103	530,948	758,587
	<b>1,311,103</b>	<b>530,948</b>	<b>758,587</b>



14 Revenue from Operations

	For the year ended March 31, 2017	For the year ended March 31, 2016
Income from construction activity	4,439,300	682,541,481
Rental income	5,148,386	3,416,341
Other operating income	11,575,788	-
	<u>21,163,474</u>	<u>685,957,822</u>

15. Other income

	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest income on bank deposits	9,420,605	3,278,476
Miscellaneous income	3,172,998	42,660
Liabilities no longer required written back	2,403,975	-
	<u>14,997,578</u>	<u>3,321,136</u>

16. Finance income

	For the year ended March 31, 2017	For the year ended March 31, 2016
Finance income on unwinding of discount on financial asset under SCA	303,850,000	320,951,572
	<u>303,850,000</u>	<u>320,951,572</u>

17A. Construction costs

	For the year ended March 31, 2017	For the year ended March 31, 2016
Sub-contract expenses	-	622,947,081
	<u>-</u>	<u>622,947,081</u>

17B. Operating expenses

	For the year ended March 31, 2017	For the year ended March 31, 2016
Professional fees	224,070	6,334,335
Travelling expenses	60,924	1,908,935
Other project expenditure	4,025,006	31,471,281
	<u>4,310,000</u>	<u>39,714,551</u>

18. Employee benefits expenses

	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries and wages	732,626	1,078,139
	<u>732,626</u>	<u>1,078,139</u>

19. Depreciation and amortization expense

	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation of tangible assets (note 3)	747,641	248,391
Amortization of intangible assets (note 4)	138,722,568	31,190,918
	<u>139,470,209</u>	<u>31,439,309</u>

20. Other expenses

	For the year ended March 31, 2017	For the year ended March 31, 2016
Water charges	1,136,074	427,766
Rent	74,737	73,334
Rates and taxes	4,559,710	8,984,869
Insurance	2,111,679	41,177
Repairs and maintenance		
Buildings	17,106,889	-
Electricity Expenses	4,114,270	426,085
Legal and professional charges	15,992,681	6,631,511
Auditors' remuneration (Refer details below)	1,663,042	1,837,992
Directors' sitting fees	175,875	190,225
Business promotion expenditure	346,560	3,150,674
Travelling expenses	3,418,071	1,901,112
Communication costs	446,222	81,309
Printing and stationery	574,672	5,000
Security and housekeeping charges	13,216,042	15,437,297
Allowances for doubtful debts and advances	3,255,066	-
Miscellaneous expenses	1,487,438	2,662,395
	<u>69,679,028</u>	<u>41,850,746</u>



**Karyavattom Sports Facilities Limited**  
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**Payment to Auditors**

**As auditor:**

Audit fee	1,650,000	1,400,000
<b>In other capacity:</b>		
Other services	-	402,750
Reimbursement of expenses	13,042	35,242
	<u>1,663,042</u>	<u>1,837,992</u>

**21. Finance costs**

	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
Interest expense	365,344,661	232,614,547
Bank charges	96,253	54,970
<b>Total finance costs</b>	<u>365,440,914</u>	<u>232,669,517</u>

**22. Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Profit attributable to equity holders of the parent for basic earnings/diluted earnings	(197,221,153)	27,824,766
Weighted average number of equity shares in computing basic and diluted EPS	43,120,000	43,120,000
Face value of each equity share (Rs.)	10	10
Earnings per share - Basic and diluted (Rs.)	<u>(4.57)</u>	<u>0.65</u>





23. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(A) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

a. Recognition of Concession Agreement as an Intangible Asset and Financial Asset

(i) Basis of accounting for the service concession

Management has assessed the applicability of Appendix A to IND AS 11 "Construction Contracts" to the concession agreement and hence has applied it in accounting for the concession.

As per the agreement with NGS the cost incurred for development, construction and operations of stadium shall be recovered by the Company in form of:

- Fixed Annuity ( Financial asset) due at the end of the every year on basis of certification by the Independent Consultant to be appointed in the terms of this agreement in respect of functioning of the concessionaire and facility for 15 years.
- The Company will also share certain revenues for which the concessionaire shall have Exclusive right to collect (Intangible asset).

Disclosures for Service Concession Arrangement as prescribed under Appendix A to IND AS 11 "Construction Contracts" - Disclosure have been incorporated into the financial statements.

The Company as accounted for additional annuities in the earlier years based on the approval of independent consultant, refer note 26 for details.

(ii) Significant assumptions in accounting for the intangible asset

The Company has recognised intangible asset with a margin of 3% and accordingly construction profit is recognised in the financial statements. The management has represented that the margin is estimated based on sensitivity analysis of EPC Companies.

(iii) Significant assumptions in accounting for the financial asset

- The allocation of consideration from the construction revenue in financial asset has been done by discounting of the guaranteed annuities as per the Service Concession Arrangement ("SCA") @ Weighted Average Cost of Capital (12.50%) and the remainder has been recognized as Intangible asset.

(B) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in Note 9.

(ii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 26 for further disclosures.

(iii) Intangible asset under development

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. At March 31, 2017, the carrying amount of capitalised intangible asset under development was INR Nil (March 31, 2016: INR 346,528,527, April 1, 2015: 1,451,621,491).

(iii) Impairment of Financial asset

The impairment provisions for financial assets are based on the assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period

24. Commitments and contingencies.

(A) Leases

Operating lease commitments - Company as lessor

The Company has entered into operating leases on its project facilities. These leases have terms of 11 years. All leases include a clause to enable upward revision of the rental charge after every three years annual basis according to prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases as at March 31, 2017 are, as follows:

	March 31, 2017	March 31, 2016	April 1, 2015
Within one year	7,350,000	-	-
After one year but not more than five years	43,617,750	-	-
More than five years	25,788,750	-	-
	<u>76,756,500</u>		

(B) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided

	March 31, 2017	March 31, 2016	April 1, 2015
	-	-	40,835,769
			<u>40,835,769</u>

(C) Financial guarantees

Bank guarantee

	March 31, 2017	March 31, 2016	April 1, 2015
	1,700,000	1,700,000	1,700,000
	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,700,000</u>



25. Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year and balances outstanding as on financial year end date.

A. Names of related parties and related party relationship

Name of the Party	Nature of Relationship
Infrastructure Leasing & Financial Services Limited	Ultimate Holding Company
IL&FS Transportation Networks Limited	Holding Company
IL&FS Township & Urban Assets Limited	Fellow Subsidiary
IL&FS Securities Services Limited	Fellow Subsidiary
ISSL CPG BPO Private Limited	Fellow Subsidiary

B. Related party transactions

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<b>IL&amp;FS Transportation Networks Limited</b>		
Short term loan taken	110,000,000	295,000,000
Short term loan repaid	-	(125,000,000)
Interest on short term loan	30,830,849	14,318,810
<b>IL&amp;FS Township &amp; Urban Assets Limited</b>		
Subordinate debt taken	-	33,800,000
Interest on subordinate debt	81,211,100	81,340,768
Sub-contract expenses	-	622,947,081
Mobilisation advance recovered	-	(9,139,390)
Reimbursement of expenses	1,153,432	817,892
Payment made on behalf of the Company	-	9,944,028
Retention money held	-	(1,713,438)
Security and housekeeping charges	17,034,090	12,263,450
Legal and consultation fees	239,918	225,288
<b>IL&amp;FS Securities Services Limited</b>		
Legal and consultation fees	-	1,200
Professional fee	-	30,000
<b>IL&amp;FS Trust Company Limited ( upto March 2016)</b>		
Security trusteeship fees	-	200,000
<b>Infrastructure Leasing &amp; Financial Services Limited</b>		
Reimbursement of expenses	157,413	-
<b>ISSL CPG BPO Private Limited</b>		
Legal and Professional	16,680	-

C. Balances (payable)/receivable

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
<b>IL&amp;FS Transportation Networks Limited</b>			
Short term borrowing	(280,000,000)	(170,000,000)	-
Interest accrued and not due	(22,877,054)	-	-
<b>IL&amp;FS Township &amp; Urban Assets Limited</b>			
Subordinate debt	(603,800,000)	(603,800,000)	(570,000,000)
Capital creditor	(179,452,799)	(248,636,657)	(348,157,653)
Mobilisation advance	-	-	9,139,390
Interest accrued and not due	(17,405,195)	(17,405,195)	(17,405,195)
Interest accrued and due	(19,824,408)	-	-
Trade payables	(11,340,031)	(2,604,877)	-
Retention money	-	(7,749,000)	(6,035,562)
<b>IL&amp;FS Financial Services Limited</b>			
Trade payable	-	-	(6,345,771)
<b>IL&amp;FS Securities Services Limited</b>			
Trade payable	-	(14,100)	(13,500)

Terms and conditions of transactions with related parties

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



26. During the earlier years, the Company had increased the construction cost of project from Rs. 2,022,500,000 to Rs. 2,922,500,000 and accordingly entered into a supplemental development agreement for Rs 900,000,000 with the existing contractor for executing certain additional works/ revised project specifications. The Company had made an application seeking approval for enhancement in the Annuities towards the incremental project costs.

During the previous year, the Company has further increased the construction cost of project from Rs. 2,922,500,000 to Rs. 3,125,000,000 mainly for fit-out of locker rooms, additional works for retail tenants, construction of Academy block etc., considering the event organised, discussion with regulatory bodies and discussion with potential tenants.

Also, during the previous year, against the incremental project costs applied for approval, an amount of Rs. 323,870,805 is approved by the independent Consultant and is pending for final approval by Government of Kerala. In accordance with the Service Concession Agreement and as per the internal assessment, the management is confident of realisation of additional annuities of Rs. 630,520,564 against the incremental cost approved by the Independent Consultant.

The Ind AS Financial Statements have been prepared on the basis of revised estimates of annuities and project costs.

27. As at March 31, 2017, the company has a single employee and has no gratuity payable. Hence, the disclosure as required, under Ind AS 19 "Employee Benefits" are not given.

28. The Company is a special purpose vehicle for development, operation & maintenance of Greenfield Stadium at Karyavattom in Thiruvananthapuram, Kerala and thus operates under a single business and geographical segment. As a result, disclosure under Ind AS 108 on "Operating Segments" has not been made.

**29. Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Financial assets	Carrying value			Fair value		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	01-Apr-15	31-Mar-16
Other financial assets	1,914,010,000	2,077,257,690	1,597,326,880	1,914,010,000	2,077,257,690	1,597,326,880
<b>Total</b>	<b>1,914,010,000</b>	<b>2,077,257,690</b>	<b>1,597,326,880</b>	<b>1,914,010,000</b>	<b>2,077,257,690</b>	<b>1,597,326,880</b>
<b>Financial liabilities</b>						
<b>Borrowings</b>						
Fixed rate borrowings	2,690,050,005	2,891,633,289	2,218,357,550	2,690,050,005	2,891,633,289	2,218,357,550
<b>Total</b>	<b>2,690,050,005</b>	<b>2,891,633,289</b>	<b>2,218,357,550</b>	<b>2,690,050,005</b>	<b>2,891,633,289</b>	<b>2,218,357,550</b>

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2017 was assessed to be insignificant.

**30. Financial risk management objectives and policies**

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the construction of stadium and to provide working capital to support its operations. The Company's principal financial assets include Receivable under Service concession agreement, other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**(a). Market risk:**

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

**(i) Interest rate risk :**

The company is exposed to interest rate risk because it borrows funds at floating interest rates. The management expects that those rates are not frequently changeable and in the estimate of the management is that these will not have significant upward trend.



**Interest rate sensitivity:**

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's:

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

	Increase/decrease in basis points	Effect on profit before tax
March 31, 2017		
INR	0.50	15,136,917
	<b>0.50</b>	<b>15,136,917</b>
March 31, 2016		
INR	0.50	10,330,658
	<b>0.50</b>	<b>10,330,658</b>

**(b). Credit risk:**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The company believes that the credit risk is not material.

**(c) Liquidity risk :**

The company manages liquidity risk by maintaining adequate reserves and reserve borrowing facilities, by continuously monitoring forecaste and actual cash flows, and by matching the maturity profiles of financial liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended						
March 31, 2017						
Borrowings	-	-	484,750,000	1,062,600,000	1,448,000,000	2,995,350,000
Other financial liabilities	-	242,492,182	-	-	2,942,000	245,434,182
Trade and other payables	-	19,866,174	-	-	-	19,866,174
	-	<b>262,358,356</b>	<b>484,750,000</b>	<b>1,062,600,000</b>	<b>1,450,942,000</b>	<b>3,260,650,356</b>
Year ended						
March 31, 2016						
Borrowings	-	-	374,750,000	1,023,750,000	1,691,600,000	3,090,100,000
Other financial liabilities	-	279,239,113	-	-	2,903,975	282,143,088
Trade and other payables	-	20,047,962	-	-	-	20,047,962
	-	<b>299,287,075</b>	<b>374,750,000</b>	<b>1,023,750,000</b>	<b>1,694,503,975</b>	<b>3,392,291,050</b>
Year ended						
April 01, 2015						
Borrowings	-	-	98,700,000	1,023,750,000	1,896,350,000	3,018,800,000
Other financial liabilities	-	370,548,920	-	6,035,562	-	376,584,482
Trade and other payables	-	13,677,233	-	-	-	13,677,233
	-	<b>384,226,153</b>	<b>98,700,000</b>	<b>1,029,785,562</b>	<b>1,896,350,000</b>	<b>3,409,061,715</b>

**31. Capital management**

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the company consists of net debt (borrowings as detailed in note 11A and 11B offset by cash and bank balances as detailed in note 11D) and equity of the Company (comprising issued capital and retained earnings).

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

The company reviews the capital structure on a semi-annual basis. As part of this review, the company considers the cost of capital and the risks associated with each class of capital. The gearing ratio at March 31, 2017 of 9.77% (see below).

	31-Mar-17	31-Mar-16	01-Apr-15
Borrowings (Note 11 A & 11 B)	2,970,050,005	3,061,633,289	2,218,357,550
Trade payables (Note 11 D)	18,424,811	12,943,797	11,738,670
Other payables (Note 11 C, 11 E and 12)	227,051,137	281,498,253	378,523,045
Less: cash and cash equivalents (Note 8)	47,330,152	69,055,856	44,339,386
<b>Net debt - A</b>	<b>3,168,195,801</b>	<b>3,287,019,483</b>	<b>2,564,279,879</b>
Equity	325,336,245	522,557,398	494,732,632
<b>Total capital - B</b>	<b>325,336,245</b>	<b>522,557,398</b>	<b>494,732,632</b>
<b>Capital and net debt (A + B)</b>	<b>3,493,532,046</b>	<b>3,809,576,881</b>	<b>3,059,012,511</b>
<b>Gearing ratio</b>	<b>9.74%</b>	<b>6.29%</b>	<b>5.18%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.



**32. First-time adoption of Ind AS**

These financial statements, for the year ended March 31, 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015 ("date of transition/ transition date"), the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

**a. Reconciliation of equity as at April 1, 2015 (date of transition to Ind AS)**

	Footnotes	IGAAP	Adjustments	Ind AS
<b>Non-current assets</b>				
Property, plant and equipment		1,059,341	-	1,059,341
Capital Work in Progress	(i)	2,919,734,877	(2,919,734,877)	-
Intangible assets under development	(i)	-	1,451,621,491	1,451,621,491
<b>Financial assets</b>				
Others	(i)	3,555,100	1,260,326,880	1,263,881,980
Other non-current assets	(ii)	50,152,533	(28,475,346)	21,677,187
Non-current tax assets		758,587	-	758,587
		<u>2,975,260,438</u>	<u>(236,261,852)</u>	<u>2,738,998,586</u>
<b>Current assets</b>				
<b>Financial assets</b>				
Cash and cash equivalents		44,339,386	-	44,339,386
Other bank balances		-	-	-
Others	(i)	12,106,315	337,000,000	349,106,315
Other current assets	(ii)	3,768,865	(3,167,104)	601,761
		<u>60,214,566</u>	<u>333,832,896</u>	<u>394,047,462</u>
<b>Total assets</b>		<u><b>3,035,475,004</b></u>	<u><b>97,571,044</b></u>	<u><b>3,133,046,048</b></u>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity Share Capital		431,200,000	-	431,200,000
<b>Other Equity</b>				
Retained earnings	(i) and (iii)	(35,986,711)	99,519,343	63,532,632
<b>Total equity</b>		<u>395,213,289</u>	<u>99,519,343</u>	<u>494,732,632</u>
<b>Non-current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	(ii)	2,166,000,000	(28,475,346)	2,137,524,654
Other non-current financial liabilities		6,035,562	-	6,035,562
Deferred tax liabilities (net)	(iii)	-	29,694,151	29,694,151
		<u>2,172,035,562</u>	<u>1,218,805</u>	<u>2,173,254,367</u>
<b>Current liabilities</b>				
<b>Financial Liabilities</b>				
<b>Trade payables</b>				
- Outstanding dues to micro enterprises and small enterprises		-	-	-
- Outstanding dues to creditors other than micro enterprises and small enterprises		11,738,670	-	11,738,670
Other current financial liabilities	(ii)	454,548,920	(3,167,104)	451,381,816
Other current liabilities		1,938,563	-	1,938,563
		<u>468,226,153</u>	<u>(3,167,104)</u>	<u>465,059,049</u>
<b>Total equity and liabilities</b>		<u><b>3,035,475,004</b></u>	<u><b>97,571,044</b></u>	<u><b>3,133,046,048</b></u>



b. Reconciliation of equity as at March 31, 2016

	Footnotes	IGAAP	Adjustments	Ind AS
<b>Non-current assets</b>				
Property, plant and equipment	(i)	2,973,330,307	(2,972,439,857)	890,450
Capital Work in progress	(i)	766,339,015	(766,339,015)	-
Intangible assets	(i)	-	1,348,140,779	1,348,140,779
Intangible assets under development	(i)	-	348,193,023	348,193,023
<b>Financial assets</b>				
Others	(i)	3,564,847	1,490,717,690	1,494,282,537
Other non-current assets	(ii)	25,300,005	(25,300,005)	-
Non-current tax assets		530,948	-	530,948
		<b>3,769,065,122</b>	<b>(577,027,385)</b>	<b>3,192,037,737</b>
<b>Current assets</b>				
<b>Financial assets</b>				
Cash and cash equivalents		69,055,856	-	69,055,856
Other bank balances		65,200,000	-	65,200,000
Others	(i)	13,572,591	586,540,000	600,112,591
Other current assets	(ii)	5,542,831	(3,166,706)	2,376,125
		<b>153,371,278</b>	<b>583,373,294</b>	<b>736,744,572</b>
<b>Total assets</b>		<b>3,922,436,400</b>	<b>6,345,909</b>	<b>3,928,782,309</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity Share Capital		431,200,000	-	431,200,000
<b>Other Equity</b>				
Retained earnings	(i) and (iii)	(153,763,281)	245,120,679	91,357,398
<b>Total equity</b>		<b>277,436,719</b>	<b>245,120,679</b>	<b>522,557,398</b>
<b>Non-current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	(ii)	2,715,340,000	(25,300,005)	2,690,039,995
Other non-current financial liabilities		2,903,975	-	2,903,975
Deferred tax liabilities (net)	(iii)	-	42,400,572	42,400,572
		<b>2,718,243,975</b>	<b>17,100,567</b>	<b>2,735,344,542</b>
<b>Current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings		170,000,000	-	170,000,000
<b>Trade payables</b>				
- Outstanding dues to micro enterprises and small enterprises		-	-	-
- Outstanding dues to creditors other than micro enterprises and small enterprises		12,943,797	-	12,943,797
Other current financial liabilities	(i) and (ii)	736,707,744	(255,875,337)	480,832,407
Other current liabilities		7,104,165	-	7,104,165
		<b>926,755,706</b>	<b>(255,875,337)</b>	<b>670,880,369</b>
<b>Total equity and liabilities</b>		<b>3,922,436,400</b>	<b>6,345,909</b>	<b>3,928,782,309</b>

c. Reconciliation of profit or loss for the year ended March 31, 2016

	Footnotes	IGAAP	Adjustments	Ind AS
<b>Revenue from operations</b>				
Other income	(i)	87,383,871	598,573,951	685,957,822
Finance income	(i)	1,167,765	2,153,371	3,321,136
<b>Total income</b>	(i)	<b>88,551,636</b>	<b>320,951,572</b>	<b>320,951,572</b>
<b>Expenses</b>				
Construction costs	(i)	-	622,947,081	622,947,081
Operating expenses	(i)	-	39,714,551	39,714,551
Employee benefits expenses		1,078,139	-	1,078,139
Other expenses	(i)	50,965,961	(9,115,215)	41,850,746
Depreciation and amortization expense	(i)	72,852,622	(41,413,313)	31,439,309
Finance expenses	(i)	81,431,483	151,238,034	232,669,517
<b>Total expense</b>		<b>206,328,205</b>	<b>763,371,138</b>	<b>969,699,343</b>
<b>Profit/(loss) before tax from continuing operations</b>		<b>(117,776,569)</b>	<b>158,307,756</b>	<b>40,531,187</b>
<b>Tax expense</b>				
Current tax		-	-	-
Adjustment of tax relating to earlier periods		-	-	-
Deferred tax	(iii)	-	12,706,421	12,706,421
<b>Income tax expense</b>		<b>-</b>	<b>12,706,421</b>	<b>12,706,421</b>
<b>Profit/(loss) for the year</b>		<b>(117,776,569)</b>	<b>145,601,335</b>	<b>27,824,766</b>



d. 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 IGAAP)		
		IGAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	(i)	312,544,179	(469,836,070)	(157,291,891)
Net cash flows from investing activities	(i)	(801,277,219)	467,572,692	(333,704,527)
Net cash flows from financing activities	(i)	513,449,510	2,263,378	515,712,888
Net increase/ (decrease) in cash and cash equivalents		24,716,470	-	24,716,470
Cash and cash equivalents at the beginning of the period		44,339,386	-	44,339,386
Cash and cash equivalents at the end of the period		69,055,856	-	69,055,856

Disclosures required by Indian accounting standard (Ind AS) 101 First time adoption of Indian accounting standards

Exemptions and Exceptions availed

These financial statements, for the year ended March 31, 2017, are the first, the Company has prepared in accordance with Ind AS. For the periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, read together with Paragraph 7 of the Companies (Accounts) Rules, 2014 ( Indian GAAP).

Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ending March 31, 2017, together with the comparative date as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at April 1, 2015, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

Exemptions:

Ind AS 101 allows first - time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

1. The Company has applied deemed cost concept for recognition of Property, Plant and Equipment.

Exceptions:

(a) Estimates:

The estimates as at April 1, 2015 and March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences if any, in accounting policies).

(b) Classification and measurement of financial assets:

The Company has classified financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Footnotes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and profit or loss for the year ended March 31, 2016

(i) Service concession arrangements

The Company has entered into an agreement with National Games Secretariat (NGS), a society under Travancore – Cochin Literary Scientific and Charitable Societies Act – 1955 have entered into a Concession Agreement ("the agreement") with the Company on April 04, 2012 for development of the stadium at Karyavattom, Thiruvananthapuram, Kerala on Develop, Buid, Operate and Transfer (DBOT) basis ("the project"). The agreement has been classified as a service concession arrangement, under IGAAP, there was no specific guidance on accounting for service concession arrangements, so the company has accounted it under Property, Plant and Equipment (PP&E).

On the transition date, the Company has reclassified the amount lying under Capital Work in Progress of Rs. 2,919,734,877 at the carrying value as at transition date to the financial asset of Rs.1,597,326,880 and intangible asset under development of Rs.1,451,621,491. Cumulative finance income on unwinding portion of financial asset till transition date amounting Rs. 207,354,845, cumulative interest income after allocating to intangible asset Rs. 5,511,438, cumulative finance cost after allocating to intangible asset Rs.162,063,994 and cumulative margin recognised Rs. 78,411,205 have been transferred to opening reserve as at transition date.

For the year ended March 31, 2016, the Company has derecognised net book value of the Property, plant & equipment - Rs. 2,972,439,857 and Capital Work in Progress of Rs.766,339,015 and recognised the financial asset - Rs. 2,077,257,690 (carried at amortised cost by accretion of finance income of Rs. 320,951,572 at effective interest rate) and intangible asset - Rs. 1,348,140,779 and intangible asset under development of Rs. 348,193,023 in line with the accounting policy on SCA.

In respect of revenue from operations for the year ended March 31, 2016, the Company has derecognised the annuity income (recognised on straightline basis) in IGAAP of Rs. 84,291,371 and recognised construction income of Rs. 682,541,481 and recognised rental income on financial asset portion amounting Rs. 323,841 which was entirely reduced from Capital Work in Progress in Indian GAAP.

Annuity received in advance amounting Rs. 252,708,631 as on March 31, 2016 has been adjusted against financial asset as on March 31, 2016.

Finance income on unwinding portion of financial asset for the year ended March 31, 2016 amounting Rs. 320,951,572, interest income after allocating to intangible asset Rs. 2,153,371 and finance cost after allocating to intangible asset Rs.151,238,034 have been recognised in statement of profit and loss account for the year ended March 31, 2016.

Under Indian GAAP, construction costs amounting Rs. 622,947,081 and operating expenses - Rs. 39,714,551 were transferred to Capital Work in Progress, the Company has expensed off the same in its Ind AS financials.

The depreciation of Rs.72,604,231 on PP&E (excluding stadium assets depreciation Rs. 248,391) under Indian GAAP has been reversed, as financial assets and intangible assets have been recognised under Ind AS further amortisation of Rs.31,190,918 on intangible assets has been provided.

Operating expenses amounting Rs. 9,115,215 relating to stadium and club house have been expensed off under IGAAP, the same has been capitalised in Ind AS financial statements.

Due to the application of above service concession arrangement the effect on Ind AS cashflow statement is as below:

1. Operating activities - Rs. (469,836,070).
2. Investing activities - Rs. 467,572,692 and
3. Financing activities - Rs. 2,263,378.



**Karyavattom Sports Facilities Limited**

**Notes to financial statements for the year ended March 31, 2017**

(All amounts in Indian Rupees except as otherwise stated)

**(ii) Borrowings:**

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised over the period. However, as per Ind AS 109, transaction costs (origination fees paid on financial liabilities) are considered as an integral part of the effective interest rate of the financial liability. Accordingly, the Company as at the transition date has adjusted unamortised processing fee paid Rs. 31,642,450 (Non-current portion - Rs. 28,475,346 and Current portion - Rs. 3,167,104) towards the outstanding borrowings. As at the Balance sheet date March 31, 2016 the Company has adjusted unamortised processing fee paid Rs. 28,466,711 (Non-current portion - Rs. 25,300,005 and Current portion - Rs. 3,166,706) towards the outstanding borrowings.

**(iii) Deferred tax:**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition i.e April 01, 2015, the net impact on deferred tax liabilities is of Rs. 29,694,151 and adjusted against opening reserves.

The Company has recognised deferred tax expense of Rs. 12,706,421 on all the temporary differences arising during the year ended March 31, 2016, deferred tax liability as on March 31, 2016 is Rs. 42,400,572.

**33. Standards Issued but not effective**

The standards issued, but not yet effective up to the date of issuance of the Company financial statements is disclosed below. The Company intends to adopt these standards when it becomes effective.

**Ind AS 7 Statement of Cash Flows**


Ind AS 7 was issued in March 2017 which states that the Company shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This standard will come into force from accounting period commencing on or after April 1, 2017. The Company will adopt the new standard on the required effective date. During the current year, the Company performed a preliminary assessment of Ind AS 7, which is subject to changes arising from a more detailed ongoing analysis.

34. Previous year figures have been regrouped wherever necessary.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

  
per Shaanjan Srinivasan  
Partner  
Membership No. 213271



Place: Hyderabad  
Date: May 10, 2017

**For and on behalf of the Board of Directors of  
Karyavattom Sports Facilities Limited**

  
Director  
DIN: 00051841  
  
Chief Financial Officer

Place: Mumbai  
Date: May 10, 2017

  
Director  
DIN: 03612820  
  
Company Secretary

