

## Independent Auditor's Report

**To**  
**The Board of Directors**  
**Kiratpur Ner Chowk Expressway Limited**

We have audited the accompanying special purpose financial statement which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, summary of the significant accounting policies and other explanatory information and Hyperion Package, which comprises of all the appendices and other deliverables as listed in the referral instructions (GRI) (referred to as the "Reporting Package") of Kiratpur Ner Chowk Expressway Limited (the component) a subsidiary of IL&FS Transportation Networks Limited as of March 31, 2018 and for the year then ended. This special purpose financial statement and Reporting Package has been prepared by the management of the component, in accordance with the Indian Accounting Standard ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India (as stated in the GRI issued by the management of ITNL).

### **Management's responsibility for the Special purpose financial statement and Reporting Package**

Management is responsible for the preparation and presentation of the special purpose financial statement and Reporting Package in accordance with the Indian Accounting Standard ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, other accounting principles generally accepted in India, policies & instructions as mentioned in the GRI and the formats of special purpose financial statements and Reporting Package issued by the management of the company to the components, and for such internal control as management determines is necessary to enable the preparation of special purpose financial statement and Reporting Package that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibility**

Our responsibility is to express an opinion on the special purpose financial statement and Reporting Package based on our audit. We conducted our audit in accordance with the instructions issued by ITNL management, Group Audit Instructions issued by SRBC & CO LLP (parent company auditors) and in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act 2013. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statement and Reporting Package are free of material misstatement. As requested by you, we planned and performed our audit using the component materiality specified in your instructions of INR 11.75 crores, which is different from the materiality level that we would have used, had we been designing the audit to express an opinion on the financial statements of the component alone.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the special purpose financial statement and Reporting Package. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the special purpose financial statement and Reporting Package, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the component's preparation and presentation of the special purpose financial statement and Reporting Package in order to design audit procedures that are appropriate in the circumstances. An audit also includes the evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimate made by management, as well as evaluating the overall presentation of the purpose financial statement and Reporting Package.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on Special purpose financial statements and Reporting Package. The conclusions reached in forming our opinion are based on the component materiality specified by you in the context of the audit of the group financial statements.



## Opinion

In our opinion, the accompanying special purpose financial statement and Reporting Package of Kiratpur Ner Chowk Expressway Limited as of March 31, 2018 and for the year then ended give the information required by the Act in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India including the Indian Accounting Standard prescribed under Section 133 of Companies Act read with the companies (Indian Accounting Standards) Rules, 2015 and the accounting policies as mentioned in the instructions, of the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity for the year then ended.

## Other Matter(s)

The Company has prepared a separate set of financial statements for the year ended March 31, 2018 in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India on which we have issued a separate Auditor's Report to the members of the Company dated 27th April 2018.

## Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 as at March 31, 2018, Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement, and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the relevant rules issued there under, as applicable;
  - (e) In our opinion, the aforesaid reporting pack comply with the recognition and measurement principle of the Accounting Standards specified under section 133 of the Act, read with the relevant rules issued there under, as applicable;
  - (f) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
  - (g) 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 1". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (h) 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 except those disclosed in financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education And Protection Fund by the Company.




### Restriction on use and distribution

The special purpose financial statement and Reporting Package have been prepared for purposes of providing information to ITNL to enable it to prepare the group financial statements. As a result, the special purpose financial statement and Reporting Package are not a complete set of financial statements of Kiratpur Ner Chowk Expressway Limited in accordance with applicable financial reporting framework underlying the Company's accounting policies and are not intended to present fairly, in all material respects (or to give a true and fair view of) the financial position of Kiratpur Ner Chowk Expressway Limited as of March 31, 2018 and of its financial performance, and its cash flow for the year then ended in accordance with applicable financial reporting framework underlying the Company's accounting policies. The special purpose financial statement and Reporting package may, therefore, not be suitable for another purpose.

This report is intended solely for the information and use of S R B C & CO LLP in conjunction with the audit of the group financial statements of ITNL respectively and should not be used by anyone for any other purpose.

**For Gianender & Associates**  
**Chartered Accountants**  
FRN: 04661N

  
**G.K. Agrawal**  
**Partner**  
M.No: 081603  
New Delhi, 27/04/2018



# Auditor Report Based On Internal Control Financial Reporting (ICFR)

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of Kiratpur Ner Chowk Expressway Limited ("the Component") as of March 31, 2018 in conjunction with our audit of the financial statements of the Component for the year ended on that date.

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

The Component's Management is responsible for establishing and maintaining internal financial controls based on [the internal control over financial reporting criteria established by the Component 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 Component'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 Component'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 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 judgment, 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 Component'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 Component'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 Component; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Component are being made only in accordance with authorizations of management and directors of the Component; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Component'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 Component 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, 2018, [based on the internal control over financial reporting criteria established by the Component considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India].

**For Gianender & Associates**  
**Chartered Accountants**  
FRN: 04661N



**G.K. Agrawal**  
**Partner**  
M.No.: 081603  
New Delhi, 27/04/2018



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2018**  
(For Consolidation into the financial information of IL&FS Transportation Networks Limited)

Particulars	Notes	As at	
		March 31, 2018	March 31, 2017
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, plant and equipment	2	37,043	1,35,617
(b) Capital work-in-progress	2	-	-
(c) Investment property	3	-	-
(d) Intangible assets			
(i) Goodwill on consolidation	4	-	-
(ii) Service Concession Arrangements (SCA)	5	-	-
(iii) Intangible assets under development	5	25,09,93,90,351	21,15,93,75,307
(iv) Others	5	25,09,93,90,351	21,15,93,75,307
(e) Financial assets			
(i) Investments			
a) Investments in associates	6	-	-
b) Investments in joint ventures	7	-	-
c) Other investments	8	-	-
(ii) Trade receivables	9	-	-
(iii) Loans	10	-	-
(iv) Other financial assets	11	1,000	2,01,000
(f) Tax assets			
(i) Deferred Tax Asset (net)	21	-	-
(ii) Non Current Tax Asset (Net)	24	1,12,02,215	1,13,94,000
(g) Other non-current assets	14	37,25,62,352	55,22,10,987
<b>Total Non-current Assets</b>		<b>25,48,31,92,961</b>	<b>21,72,33,16,911</b>
<b>Current Assets</b>			
(a) Inventories	12	-	-
(b) Financial assets			
(i) Trade receivables	9	10,74,40,901	9,00,05,452
(ii) Cash and cash equivalents	13	1,44,70,783	2,78,08,830
(iii) Bank balances other than (ii) above	13	-	-
(iv) Loans	10	-	-
(v) Other financial assets	11	2,00,000	11,78,14,282
(c) Current tax assets (Net)	24	-	-
(d) Other current assets	14	3,35,80,407	5,98,30,229
<b>Total Current Assets</b>		<b>15,56,92,091</b>	<b>17,76,44,511</b>
<b>Total Assets</b>		<b>25,63,88,85,052</b>	<b>21,90,09,61,422</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	5,00,81,00,000	5,00,81,00,000
(b) Other Equity	16	2,24,66,76,244	1,92,45,07,650
Equity attributable to owners of the Company		<b>7,25,47,76,244</b>	<b>6,93,26,07,650</b>
Non-controlling Interests	17	-	-
<b>Total Equity</b>		<b>7,25,47,76,244</b>	<b>6,93,26,07,650</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	13,89,13,59,054	12,95,56,85,031
(ii) Trade payables other than MSME	23	-	-
(iii) Other financial liabilities	19	57,02,668	46,66,563
(b) Provisions	20	-	-
(c) Deferred tax liabilities (Net)	21	-	-
(d) Other non-current liabilities	22	-	-
<b>Total Non-current Liabilities</b>		<b>13,89,70,61,722</b>	<b>12,96,03,51,594</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	1,23,92,66,926	-
(ii) Trade payables other than MSME	23	2,39,54,03,794	1,55,19,93,127
(iii) Other financial liabilities	19	53,14,34,121	22,90,09,049
(b) Provisions	20	28,43,000	97,58,150
(c) Current tax liabilities (Net)	24	29,86,00,000	18,23,00,000
(d) Other current liabilities	22	1,94,99,245	3,49,41,851
<b>Total Current Liabilities</b>		<b>4,48,70,47,086</b>	<b>2,00,80,02,177</b>
<b>Total Liabilities</b>		<b>18,38,41,08,808</b>	<b>14,96,83,53,771</b>
<b>Total Equity and Liabilities</b>		<b>25,63,88,85,052</b>	<b>21,90,09,61,422</b>

Note 1 to 45 forms part of the financial statements.

In terms of our report attached  
For Gianender & Associates  
Chartered Accountants  
Firm Registration no. 004661N

G. K. Agarwal  
Partner  
Membership Number 081603  
Place Mumbai  
Date: April 27, 2018



For and on behalf of the Board

Managing Director

Chief Financial Officer

Place Mumbai  
Date April 27, 2018

Director

Company Secretary

KIRATPUR NER CHOWK EXPRESSWAY LIMITED  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018  
(For Consolidation into the financial information of IL&FS Transportation Networks Limited)

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
I. Revenue from Operations	25	4,23,33,67,347	7,19,38,98,169
II. Other income	26	2,40,339	86,136
III. Total Income (I+II)		4,23,36,07,686	7,19,39,84,305
IV. Expenses			
Cost of Material consumed	27	-	-
Construction Costs	27	3,79,67,96,341	6,45,27,94,855
Operating expenses	28	-	-
Employee benefits expense	29	1,80,000	5,806
Finance costs (net)	30	-	-
Depreciation and amortisation expense	31	-	-
Other expenses	32	83,95,814	36,60,458
Total expenses (IV)		3,80,53,72,155	6,45,64,61,119
V Profit before share of profit/(loss) of an associate and a joint venture and tax (III-IV)		42,82,35,531	73,75,23,186
VI Less: Tax expense	33		
(1) Current tax		11,63,00,000	15,74,00,000
(2) Deferred tax		-	-
Total Tax expenses		11,63,00,000	15,74,00,000
VII Profit/(loss) after tax (V-VI)		31,19,35,531	58,01,23,186
VIII Add: Share of profit of associates (net)			
IX Add: Share of profit of joint ventures (net)			
X Profit for the year (VII+VIII+IX)		31,19,35,531	58,01,23,186
XI Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(a) Actuarial loss of the defined benefit plans			
(c) Equity instruments through other comprehensive income			
(d) Others (specify nature)			
(b) Share of other comprehensive income in associates and joint ventures, to the extent not to be reclassified to profit or loss			
A (ii) Income tax relating to items that will not be reclassified to profit or loss			
B (i) Items that may be reclassified to profit or loss			
(a) Exchange differences in translating the financial statements of foreign operations			
(b) Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge			
(c) Others			
(d) Share of other comprehensive income in associates and joint ventures, to the extent that may be reclassified to profit or loss			
B (ii) Income tax relating to items that may be reclassified to profit or loss			
Total other comprehensive (loss) / income (A (i-ii)+B(i-ii))			
XII Total comprehensive (loss) / income for the year (X+XI)		31,19,35,531	58,01,23,186
Profit for the year attributable to:			
- Owners of the Company		31,19,35,531	58,01,23,186
- Non-controlling interests			
		31,19,35,531	58,01,23,186
Other comprehensive income for the year attributable to:			
- Owners of the Company			
- Non-controlling interests			
Total comprehensive income for the year attributable to:			
- Owners of the Company		31,19,35,531	58,01,23,186
- Non-controlling interests			
		31,19,35,531	58,01,23,186
XIII Earnings per equity share (face value ₹ 10 per share):	34		
(1) Basic (in Rs.)		0.62	1.18
(2) Diluted (in Rs.)		0.62	1.18

Note 1 to 45 forms part of the financial statements.

In terms of our report attached  
For Gianender & Associates  
Chartered Accountants  
Firm Registration no. 004661N

G. K. Agarwal  
Partner  
Membership Number: 091603  
Place: Mumbai  
Date: April 27, 2018



For and on behalf of the Board  
For and on behalf of the Board

Managing Director  
Chief Financial Officer  
Place: Mumbai  
Date: April 27, 2018

Director  
Company Secretary

KIRATPUR NER CHOWK EXPRESSWAY LIMITED  
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018  
(For Consolidation into the financial information of IL&FS Transportation Networks Limited)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash flows from operating activities</b>		
Profit for the year	31,19,35,531	58,01,23,186
Adjustments for:		
Income tax expense recognised in profit or loss		
Share of profit of associates (net)		
Share of profit of joint ventures (net)		
Finance costs recognised in profit or loss		
Interest income recognised in profit or loss	(18,277)	(17,724)
Profit on sale of investments (net of goodwill)		
Dividend Income on non-current investments		
(Loss) / Gain on disposal of property, plant and equipment		
Provision for employee benefits (net)		
Provision for overlay (net)		
Provision for replacement cost (net)		
Provision for doubtful debts and receivables		
Expected credit losses on trade receivables (net)		
Expected credit losses on debt instruments (net)		
Expected credit losses on other financial assets (net)		
Depreciation and amortisation expenses		
Excess provision written back		
Exchange (gain) / loss		
	<b>31,19,17,254</b>	<b>58,01,05,462</b>
Movements in working capital:		
Decrease in trade receivables (current and non current)	(1,74,35,449)	(2,23,03,863)
Decrease in inventories	-	-
(Increase)/decrease in other financial assets & other assets (current and non current)	20,58,98,457	38,83,99,139
Increase/ (Decrease) in financial liabilities & other liabilities (current and non current)	93,83,89,016	98,07,74,567
	<b>1,12,68,52,024</b>	<b>1,34,68,69,843</b>
<b>Cash generated from operations</b>	<b>1,43,87,69,278</b>	<b>1,92,69,75,305</b>
Income taxes paid (net of refunds)	1,91,785	(62,31,772)
<b>Net cash generated by operating activities (A)</b>	<b>1,43,89,61,063</b>	<b>1,92,07,43,533</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment, intangible assets		
Proceeds from disposal of property, plant and equipment, intangible assets	(4,21,24,16,471)	(7,15,08,32,721)
Increase in receivable under service concession arrangements (net)		
Interest received	18,277	17,724
Purchase of investments in joint venture		
Proceeds from redemption of debentures		
Proceed from sale of investment in subsidiary and associate		
Proceeds on disposal of partial interest in a subsidiary that does not involve loss of control		
Investment in Mutual funds		
Redemption of Mutual funds		
Long term loans repaid / (given) (net)		
Short term loans repaid / (given) (net)		
Inter-corporate deposits (placed) / matured (net)		
Dividend received from associates & joint ventures		
Dividend received from others		
	<b>(4,21,23,98,194)</b>	<b>(7,15,08,14,997)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of Equity Shares (including securities premium)	-	84,86,00,000
Rights issue / preference share issue expenses adjusted in securities premium	-	-
Receipt of Grant	27,25,00,000	-
Proceeds from borrowings	2,18,51,74,011	4,12,72,25,000
Repayment of borrowings		
Finance costs paid	30,24,25,072	13,14,73,092
Equity dividend paid		
Tax on equity dividend paid		
Proceeds from minority interest		
Preference dividend paid		
Tax on Preference dividend paid		
Balances held as margin money or as security against borrowings		
<b>Net cash generated in financing activities ( C)</b>	<b>2,76,00,99,084</b>	<b>5,10,72,98,092</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(1,33,38,047)</b>	<b>(12,27,73,372)</b>
Cash and cash equivalents at the beginning of the year	2,78,08,830	15,05,82,202
Impact of acquisition / disposal of subsidiary		
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		
<b>Cash and cash equivalents at the end of the year</b>	<b>1,44,70,783</b>	<b>2,78,08,830</b>





KIRATPUR NER CHOWK EXPRESSWAY LIMITED  
 CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018  
 (For Consolidation into the financial information of IL&FS Transportation Networks Limited)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Components of Cash and Cash Equivalents</b>		
Cash on hand	2,302	972
Balances with Banks in current accounts	1,44,66,481	2,78,07,858
Balances with Banks in deposit accounts	-	-
<b>Cash and Cash Equivalents</b>	<b>1,44,70,783</b>	<b>2,78,08,830</b>
Less – Secured Demand loans from banks (Cash credit)(shown under		
Less – Bank overdraft (note 18)		
<b>Cash and cash equivalents for statement of cash flows</b>	<b>1,44,70,783</b>	<b>2,78,08,830</b>

Note 1 to 45 forms part of the financial statements.

In terms of our report attached  
 For Gianender & Associates  
 Chartered Accountants  
 Firm Registration no. 004661N

G. K. Agarwal  
 Partner  
 Membership Number : 081603  
 Place: Mumbai  
 Date: April 27, 2018



For and on behalf of the Board

Managing Director

Director

Chief Financial Officer Company Secretary

Place: Mumbai  
 Date: April 27, 2018

KIRATPUR NER CHOWK EXPRESSWAY LIMITED

Statement of changes in equity  
(For Consolidation into the financial information of IL&FS Transportation Networks Limited)

	For the Year ended March 31, 2018	For the Year ended March 31, 2017
a. Equity share capital	5,00,81,00,000	4,15,95,00,000
Balance as at the beginning of the year	5,00,81,00,000	84,86,00,000
Changes in equity share capital during the year	-	-
Balance as at end of the year	5,00,81,00,000	5,00,81,00,000

	Reserves and surplus						Items of other comprehensive income											
	Capital reserve	Securities premium reserve	General reserve	Capital reserve on consolidation	Debt redemption reserve	Foreign currency monetary items translation difference account	Deemed Equity	Retained earnings	Total	Effective portion of cash flow hedge	Foreign currency translation reserve	Defined benefit plan adjustment	Others	Total	Attributable to owners of the parent	Non-controlling interests	Total	
b. Other equity																		
Balance as at April 1, 2016							6,78,25,823	1,25,11,44,496	1,31,89,70,319						1,31,89,70,319		1,31,89,70,319	
Profit for the year								58,01,23,186	58,01,23,186						58,01,23,186		58,01,23,186	
Other comprehensive income for the year, net of income tax																		
Total comprehensive income for the year							6,78,25,823	1,83,12,67,682	1,89,90,93,505						1,89,90,93,505		1,89,90,93,505	
Payment of final dividends (including dividend tax)																		
Addition during the year from issue of equity shares on a rights basis																		
Transfer from retained earnings																		
Addition during the year																		
Additional non-controlling interests arising on acquisition									5,03,14,146						5,03,14,146		5,03,14,146	
Disposal of partial interest in subsidiary																		
Premium utilised towards preference shares issue expenses and rights issue expenses																		
Other adjustments																		
Balance As at March 31, 2017							11,81,39,969	(2,49,00,000)	(2,49,00,000)	(2,49,00,000)					(2,49,00,000)		(2,49,00,000)	
								1,80,63,67,682	1,80,63,67,682	1,80,63,67,682					1,80,63,67,682		1,80,63,67,682	



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
**Statement of changes in equity**  
 (For Consolidation into the financial information of IL&FS Transportation Networks Limited)

	Reserves and surplus							Items of other comprehensive income					Total			
	Capital reserve	Securities premium reserve	General reserve	Capital reserve on consolidation	Debiture redemption reserve	Foreign currency monetary items translation difference account	Deemed Equity	Retained earnings	Total	Effective portion of cash flow hedge	Foreign currency translation reserve	Defined benefit plan adjustment		Others	Total	Attributable to owners of the parent
<b>Balance as at April 1, 2017</b>							11,81,39,969	1,80,63,67,682	1,92,45,07,650						1,92,45,07,650	
Profit for the year								31,19,35,531	31,19,35,531						31,19,35,531	
Other comprehensive income for the year, net of income tax																
<b>Total comprehensive income for the year</b>							<b>11,81,39,968.88</b>	<b>2,11,83,03,212.63</b>	<b>2,23,64,43,182</b>						<b>2,23,64,43,182</b>	
Payment of final dividends (including dividend tax)																
Transfer to retained earnings																
Addition during the year																
Adjustment during the year for cessation of a subsidiary																
Reversed during the year																
Additional non-controlling interests arising on acquisition of / additional investment in a subsidiary (net)																
Disposal of partial interest in subsidiary																
Premium utilised towards discount on issue of Non-Convertible Debentures																
Other adjustments																
<b>Balance As at March 31, 2018</b>							<b>12,83,73,031</b>	<b>2,11,83,03,213</b>	<b>2,24,66,76,244</b>						<b>2,24,66,76,244</b>	

**Note 1 to 45 forms part of the financial statements**

In terms of our report attached  
 For Gianender & Associates  
 Chartered Accountants  
 Firm Registration no. 004661N



G. K. Agarwal  
 Partner  
 Membership Number : 081603  
 Place Mumbai  
 Date: April 27, 2018

For and on behalf of the Board

Managing Director

Director

Company Secretary

Chief Financial Officer

Place: Mumbai

Date: April 27, 2018

**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
Notes forming part of the Financial Statements for the year ended March 31, 2018  
(For Consolidation into the financial information of IL&FS Transportation Networks Limited)

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**1. General Information & Significant Accounting Policies**

**Note No-1**

**1. General information**

Kirarpur Ner Chowk Expressway Limited ("KNCEL") a Special Purpose Vehicle ("SPV") promoted by IL&FS Transportation Networks Limited (ITNL), has been awarded the project involving development and operation involving 4-lanning of the Kiratpur - Ner - Chowk section of NH-21, under a design, build, finance, operate & transfer ("DBFOT") basis (the "Project") was signed on March 16, 2012 and the concession period of the Project is 28years from the appointed date. The aggregate cost of the Project estimated at Rs.2,291/-cr., which is proposed to be financed in a debt: equity ratio 64:36 comprising senior debt of Rs.1,474.86cr, Sponsors, contribution of Rs.681.57cr and grant of Rs.134.57cr from NHAI

**Note No-2**

**2. Significant accounting policies**

**2.1 Statement of compliance**

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

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These are Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 2.13 for the details of first-time adoption exemptions availed by the Company.

**2.2 Basis of preparation and presentation**

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

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

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



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
**Notes forming part of the Financial Statements for the year ended March 31, 2018**  
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The principal accounting policies are set out below.

### **2.3 Use of estimates**

The preparation of financial statements in conformity with IND AS requires the Management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosures of an item or information in the financial statements have been made relying on management estimates to a greater extent.

### **2.4 Fair value measurement**

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

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

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
**Notes forming part of the Financial Statements for the year ended March 31, 2018**  
**(For Consolidation into the financial information of IL&FS Transportation Networks Limited)**

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**Note No-3**

**3 Accounting for rights under service concession arrangements and revenue recognition**

**i. Recognition and measurement**

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

Concession contracts are public-private agreements for periods specified in the SCAs including the construction, upgradation, restoration of infrastructure and future services associated with the operation and maintenance of assets in the concession period. Revenue recognition, as well as, the main characteristics of these contracts are detailed in Note 3.1.iii.

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

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

When the demand risk to the extent that the Company has a right to charge the user of infrastructure facility, the Company recognizes revenues from construction services for public facilities (infrastructures) by the percentage-of-completion method, and recognizes the consideration for construction services at its fair value, as an intangible asset. The Company accounts for such intangible asset (along with the present value of committed payments towards concession arrangement to the grantor at the appointed date e.g. Negative Grant, premium etc.) in accordance with the provisions of Ind AS 38 and is amortized based on projected traffic count or revenue, as detailed in Note 3.1.vi, taking into account the estimated period of commercial operation of infrastructure which generally coincides with the concession period. Intangible asset is capitalized when the project is complete in all respects and when the Company receives the final completion certification from the grantor as specified in the Concession Agreement and not on completion of component basis as the intended purpose and economics of the project is to have the complete length of the infrastructure available for use. However, where there is other than temporary delay due to reasons beyond the control of the Company, the management may treat constructed portion of the infrastructure as a completed project.



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

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

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

**iii. Revenue recognition**

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

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

Interest Income is recognized on an accrual basis.

**iv. Revenue from construction contracts**

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

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

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

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

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



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
**Notes forming part of the Financial Statements for the year ended March 31, 2018**  
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When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

**v. Borrowing cost related to SCAs**

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

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

**vi. Amortization of intangible asset under SCA**

The intangible rights relating to infrastructure assets, which are recognised in the form of right to charge users of the infrastructure asset are amortized by taking proportionate of actual traffic count for the period over total projected traffic count from project to cost of intangible assets; i.e. proportionate of actual traffic for the period over total projected traffic count from the intangible assets expected to be earned over the balance concession period as estimated by the management. However, with respect to toll road assets constructed and in operation as at March 31, 2016, the amortization of such intangible rights are based on actual revenue earned compared to total projected revenue from the project over the balance concession period to cost intangible assets, instead of traffic count.

Total projected revenue / traffic count is reviewed at the end of each financial year and is adjusted to reflect any changes in the estimates which lead to the actual collection at the end of the concession period.

**vii. Claims**

Claims raised with the concession granting authority towards reimbursement for costs incurred due to delay in handing over of unencumbered land to the Company for construction or other delays attributable solely to the concession granting authority are recognized when there is a reasonable certainty that there will be inflow of economic benefits to the company. The claims when recognised as such are reduced from the carrying amount of the intangible asset / financial asset under the service concession arrangement, as the case may be, to the extent the claims relate to costs earlier included as a part of the carrying amount of these assets. Further, these claims and interest there on are credited to profit or loss to the extent it is probable to have economic benefits to the company.

**viii. Accounting of receivable and payable from / to the grantor (Grants)**

- a) Receivable towards the concession arrangement from the grantor  
When the arrangement has a contractual right to receive cash or other financial asset from the grantor specifically towards the concession arrangement (in the form of grants) during the construction period or otherwise, such a right, to the extent eligible, is recorded as financial asset in accordance with Ind AS 109 "Financial Instruments," at amortized cost. The receivable so recognized will be adjusted against the related intangible asset (toll) / financial asset (annuity).





**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
**Notes forming part of the Financial Statements for the year ended March 31, 2018**  
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For Intangible assets where the / the Company has availed the exemption under D7AA of Ind AS 101, the Financial asset has to be recognized only for all such receivables post April 01, 2015

- b) Payable towards the concession arrangement to the grantor  
When the arrangement has a contractual obligation to pay cash or other financial asset to the grantor specifically towards the concession arrangement during the construction period or otherwise, such unconditional obligation to pay cash is recorded as a financial liability on the date when the obligation arises in accordance with Ind AS 109 "Financial Instruments," at amortised cost, with a corresponding recognition of an intangible asset. Thereafter, the interest expense is recognized based on the effective interest rate method, which also becomes eligible for capitalization on qualifying assets.

For Intangible assets where the Company has availed the exemption under D7AA of Ind AS 101, the Intangible asset has to be recognized only for all such payables post April 01, 2015

### **3.1 Borrowing costs**

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

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

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

### **3.2 Taxation**

#### **3.2.1 Current tax**

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

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

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



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**3.2.2 Deferred tax**

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

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

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

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

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

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

**3.3 Property, plant and equipment**

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

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

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



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

Following assets are depreciated over a useful life other than the life prescribed under Schedule II of the Companies Act, 2013 based on the 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.

<b>Assets</b>	<b>Useful Life based on SLM</b>
Data Processing Equipment	4
Mobile Phones and I Pad/ Tablets	Fully depreciated in the year of purchase
Specilaised Office Equipment's	3
Vehicles	5

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

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

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

### **3.4 Impairment of tangible assets**

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

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

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

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

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that



## KIRATPUR NER CHOWK EXPRESSWAY LIMITED

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

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would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

### **3.5 Provisions**

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

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

### **3.6 Financial instruments**

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

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

### **3.7 Financial assets**

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

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

#### **3.7.1 Classification of financial assets – debt instruments**

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

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



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

**3.7.2 Amortised cost and Effective interest method**

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

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

**3.7.3 Financial assets at FVTPL**

Debt instruments that do not meet the amortized cost or FVOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortized cost or FVOCI criteria but are designated as at FVTPL are measured at FVTPL.

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

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

**3.7.4 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:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) 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)
- c) Loan commitments which are not measured as at FVTPL

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. However, for trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. In cases where the amounts are expected to be realized upto one year from the due date, loss for the time value of money is not recognized, since the same is not considered to be material.



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When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

### **3.8 Reclassification of financial assets**

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

#### **3.8.1 Derecognition of financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If [the Company] the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g., when the Company retains an option to repurchase part of a transferred asset), [the Company] the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.



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**3.9 Modification of Cash Flows of financial assets and revision in estimates of Cash flows**

The rate considered for recognizing Finance Income (EIR) and fair valuation of the Receivable under SCA will be finalised on achievement of PCOD / COD for the Project. Thereafter this rate will remain constant during the balance concession period.

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

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

**3.10 Financial liabilities and equity instruments-**

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

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

**3.10.1 Classification as debt or equity**

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

**3.10.2 Financial liabilities**

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

**3.10.3 Financial liabilities subsequently measured at amortised cost**

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

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



## **KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

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

**(For Consolidation into the financial information of IL&FS Transportation Networks Limited)**

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### **3.10.4 Derecognition of financial liabilities**

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

### **3.11 Cash and cash equivalents**

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

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





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(For Consolidation into the financial information of L&S Transportation Networks Limited)

Particulars	Deemed cost					Accumulated Depreciation					Carrying Amount					
	Balance as at April 1, 2016	Opening Adjustments	Additions	Deductions	Derecognised on disposal of a subsidiary	Effect of foreign currency differences	Balance at March 31, 2017	Balance as at April 1, 2016	Opening Adjustments	Deductions	Eliminated on disposal of a Subsidiary	Depreciation expense	Effect of foreign currency exchange differences	Balance at March 31, 2017	As at March 31, 2017	As at April 1, 2016
Property plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Building and structures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Data processing equipments	12,31,215	-	-	-	-	-	12,31,215	11,86,344	-	-	-	44,862	-	12,31,206	9	44,871
Office equipments	4,91,302	-	-	-	-	-	4,91,302	2,72,711	-	-	-	96,457	-	3,69,169	1,22,134	2,18,991
Leasehold improvements	2,39,355	-	-	-	-	-	2,39,355	2,23,764	-	-	-	2,117	-	2,25,881	13,474	15,591
Furniture and fixtures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electrical installations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant and machinery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property plant and equipment on lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant and machinery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Building and structures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	19,61,872	-	-	-	-	-	19,61,872	16,82,819	-	-	-	1,43,436	-	18,26,255	1,35,617	2,79,053
Capital work-in-progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	19,61,872	-	-	-	-	-	19,61,872	16,82,819	-	-	-	1,43,436	-	18,26,255	1,35,617	2,79,053

Particulars	Deemed cost					Accumulated Depreciation					Carrying Amount					
	Balance as at April 1, 2017	Opening Adjustments	Additions	Deductions	Derecognised on disposal of a subsidiary	Effect of foreign currency differences	Balance at March 31, 2018	Balance as at April 1, 2017	Opening Adjustments	Deductions	Eliminated on disposal of a Subsidiary	Depreciation expense	Effect of foreign currency exchange differences	Balance at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Property plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Building and structures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Data processing equipments	12,31,215	-	-	-	-	-	12,31,215	12,31,206	-	-	-	-	-	12,31,206	9	9
Office equipments	4,91,302	-	-	-	-	-	4,91,302	3,69,168	-	-	-	96,457	-	4,65,625	25,677	1,22,134
Leasehold improvements	2,39,355	-	-	-	-	-	2,39,355	2,25,881	-	-	-	2,117	-	2,27,998	11,357	13,474
Furniture and fixtures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electrical installations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant and machinery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property plant and equipment on lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant and machinery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Building and structures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	19,61,872	-	-	-	-	-	19,61,872	18,26,255	-	-	-	98,574	-	19,24,829	37,043	1,35,617
Capital work-in-progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	19,61,872	-	-	-	-	-	19,61,872	18,26,255	-	-	-	98,574	-	19,24,829	37,043	1,35,617



Particulars for the current year, includes Plant and Machinery for the period of Nil, crore given on operating lease for period of Nil, years at fixed monthly rental which is included in Miscellaneous income under Other Income.

**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

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(For Consolidation into the financial information of IL&amp;FS Transportation Networks Limited)

**3. Investment property**

Particular	₹	
	As at March 31, 2018	As at March 31, 2017
Investment property (A-B)		
Investment property under development		
<b>Total</b>	-	-

## a) Investment property

Cost or Deemed Cost	₹	
	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year		
Effect of foreign currency exchange differences		
<b>Balance at end of the year (A)</b>	-	-

Accumulated depreciation and impairment	₹	
	As at March 31, 2018	As at March 31, 2017
Balance at beginning of the year		
Additions		
Effect of foreign currency exchange differences		
<b>Balance at end of the year (B)</b>	-	-

**3.1 Fair value measurement of the Company's investment properties**

Details of the Company's investment properties and information about the fair value hierarchy As at March 31, 2018 and as at March 31, 2017 are as follows:

Particulars	₹	
	As at March 31, 2018	As at March 31, 2017
Investment property		
Investment property under development (Refer Footnote)		
<b>Total</b>	-	-

Footnote :

1. Fair value of investment property is determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in nature, location or condition of the specific property.

Fair value of investment property under development is determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in nature, location or condition of the specific property. As at March 31, 2018 and March 31, 2017 the property is fair valued based on valuations performed by one of the independent valuer who has relevant valuation experience for similar properties in India.



## KIRATPUR NER CHOWK EXPRESSWAY LIMITED

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### 4. Goodwill on consolidation

₹		
Particulars	As at March 31, 2018	As at March 31, 2017
Cost (or deemed cost)		
<b>Total</b>	-	-

₹		
Cost or Deemed Cost	As at March 31, 2018	As at March 31, 2017
Balance at beginning of the year		
Additional amounts recognised from business combinations		
Derecognised on disposal of a subsidiary (refer Note 39.2.3)		
Effect of foreign currency exchange differences		
<b>Balance at end of year</b>	-	-

#### 4.1 Allocation of goodwill to cash-generating units

Goodwill has been allocated for impairment testing purposes to the following cash-generating units.

- Annuity projects
- Operation and maintenance
- Others

The carrying amount of goodwill was allocated to cash-generating units as follows.

Particulars	As at March 31, 2018	As at March 31, 2017
- Annuity projects		
- Operation and maintenance		
- Others		
<b>Total</b>	-	-



5. Intangible assets

Particulars	Cost or deemed cost				Accumulated Amortisation			Carrying Amount		
	Balance as at April 1, 2016	Opening Adjustments	Additions	Deductions	Effect of foreign currency exchange differences	Balance As at March 31, 2017	Amortisation expense	Effect of foreign currency exchange differences	Balance As at March 31, 2017	As at April 1, 2017
Software / Licences acquired	-	-	-	-	-	-	-	-	-	-
Commercial rights acquired	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Subtotal (a)	-	-	-	-	-	-	-	-	-	-
Rights under service concession arrangements (b)	-	-	-	-	-	-	-	-	-	-
Intangible assets under development (c)	14,00,83,99,150	-	7,15,09,76,157	-	-	21,15,93,75,307	-	-	21,15,93,75,307	14,00,83,99,150
Total (a+b+c)	14,00,83,99,150	-	7,15,09,76,157	-	-	21,15,93,75,307	-	-	21,15,93,75,307	14,00,83,99,150

Particulars	Cost or deemed cost				Accumulated Amortisation			Carrying Amount		
	Balance as at April 1, 2017	Opening Adjustments	Additions	Deductions	Effect of foreign currency exchange differences	Balance As at March 31, 2018	Amortisation expense	Effect of foreign currency exchange differences	Balance As at March 31, 2018	As at March 31, 2017
Software / Licences acquired	-	-	-	-	-	-	-	-	-	-
Commercial rights acquired	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Subtotal (a)	-	-	-	-	-	-	-	-	-	-
Rights under service concession arrangements (b)	-	-	-	-	-	-	-	-	-	-
Intangible assets under development (c)	21,15,93,75,307	-	3,84,00,15,045	-	-	25,09,93,90,351	-	-	25,09,93,90,351	21,15,93,75,307
Total (a+b+c)	21,15,93,75,307	-	3,84,00,15,045	-	-	25,09,93,90,351	-	-	25,09,93,90,351	21,15,93,75,307

Footnotes:

1. Estimates under Service Concession Arrangement - Right under Service Concession Arrangements / Intangible assets under Development Under Service Concession Arrangements  
Under Service Concession Arrangement (SCA), where a Special Purpose Vehicle (SPV) has received the right to charge users of a public service, such rights are recognized and classified as "Intangible Assets". Such a right is an unconditional right to receive consideration however the amounts are contingent to the extent that the public uses the service.  
The book value of such an Intangible Asset is recognized by the SPV at the fair value of the constructed asset which comprises of the actual construction cost plus the margins as per the SCA.  
The Intangible Asset is amortised on the basis of units of usage method over the lower of the remaining concession period or useful life of such intangible asset, in terms of each SCA. However, with respect to toll road assets constructed and in operation As at March 31, 2018, the amortization of such intangible rights are based on actual revenue earned compared to total projected revenue from the project over the balance concession period to cost of intangible assets, instead of traffic count.  
Estimates of margins are based on internal evaluation by the management. Estimates of units of usage, toll rates, contractual liability for overlay expenditure and the timing of the same are based on technical evaluations and / or traffic study estimates by external agencies.  
These factors are consistent with the assumptions made in the previous years.  
The key elements have been tabulated below:

Particulars	As at March 31, 2018	As at March 31, 2017
	Cumulative change in contribution in respect of Intangible Assets / Intangible Assets under development	2,45,91,94,213
Particulars	Year ended	
	March 31, 2018	March 31, 2017
Amortisation charge in respect of intangible assets	-	-



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6 Investments in associates

6.1 Break-up of investments in associates (carrying amount determined using the equity method of accounting) ₹

Particulars	As at March 31, 2018		As at March 31, 2017	
	Qty	Amount	Qty	Amount
<b>Quoted Investments (all fully paid)</b>				
Investments in Equity Instruments (at Deemed cost)				
<b>Total aggregate quoted investments (A)</b>		-		-
<b>Unquoted Investments (all fully paid)</b>				
Investments in Equity Instruments (at cost)				
<b>Total aggregate unquoted investments (B)</b>		-		-
<b>Total investments carrying value (A) + (B)</b>		-		-
Particulars	As at March 31, 2018		As at March 31, 2017	
	Deemed Cost	Market value	Deemed Cost	Market value
Aggregate market value of quoted investments	-		-	

6.2 Details and financial information of material associate

There is no material associate identified by the Group as per group policy i.e. 20% of group networth against carrying value of individual investment in associates

6.3 Financial information in respect of individually not material associates ₹

Aggregate information of associates that are not individually material	Year ended March 31, 2018	Year ended March 31, 2017
The Group's share of profit / (loss)		
The Group's share of other comprehensive income		
The Group's share of total comprehensive income	-	-

Particulars	As at March 31, 2018	As at March 31, 2017
Aggregate carrying amount of the Group's interests in these associates	-	-

Unrecognised share of losses of an associate ₹

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Share of profit / (loss) for the year		

Particulars	As at March 31, 2018	As at March 31, 2017
Cumulative share of loss of an associate		



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7. Investments in joint ventures

7.1 Break-up of investments in joint ventures

Particulars	As at March 31, 2018		As at March 31, 2017	
	Qty	Amount	Qty	Amount
<b>Unquoted Investments (all fully paid)</b>				
(a) Investments in Equity Instruments (at cost / Deemed cost)				
(b) Investments in covered warrant (at Deemed cost)				
(c) Investments in debentures or bonds (at amortised cost)	-	-		
<b>Total investments carrying value</b>		-		-

8. Other Non Current Investments

Particulars	As at March 31, 2018		As at March 31, 2017	
	Qty	Amount	Qty	Amount
<b>Unquoted Investments (all fully paid)</b>				
Investments in Equity Instruments				
<b>TOTAL INVESTMENTS (A)</b>		-		-
Add / (Less) : Fair value of investments (B)				
<b>TOTAL INVESTMENTS CARRYING VALUE (A) + (B)</b>		-		-

Category-wise other investments – as per Ind AS 109 classification

Particulars	As at March 31, 2018	As at March 31, 2017
Financial assets carried at fair value through profit or loss (FVTPL)		
Held for trading non-derivative financial assets		
Sub-total (a)	-	-
Financial assets carried at amortised cost		
Debentures		
Sub-total (b)	-	-
Grand total (a+b)	-	-

Footnotes:



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9. Trade receivables

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
<b>Trade receivables from related parties</b>				
-Unsecured, considered good	-	-	-	-
Less : Allowance for expected credit loss	-	-	-	-
<b>Trade receivables from others</b>				
-Unsecured, considered good	-	10,74,40,901	-	9,00,05,452
Less : Allowance for expected credit loss	-	-	-	-
-Unsecured, considered doubtful	-	-	-	-
Less : Allowance for bad and doubtful debts	-	-	-	-
<b>Total</b>	-	<b>10,74,40,901</b>	-	<b>9,00,05,452</b>

Footnotes :

- a. There are no receivables due from directors or other officers of the company either severally or jointly with any other person; and from firms or private companies respectively in which any director is a partner, a director or a member.
- b. Trade receivables are generally on terms of \_\_\_ to \_\_\_ days and certain receivables carry interest for overdue period.
- c. Expected credit loss ("ECL") is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the weighted average cost of borrowings of the Company.
- d. The estimated realization date of the receivables has been taken by considering the cash flow model of the respective project SPV's which in the view of the management is the most realistic and appropriate way for estimating the realization date of the receivables with respect to the project SPV's. In respect of other than project SPV's, the management has carried out its internal Age of receivables that are past due but not impaired.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2015
XX-XX days			
XX-XX days			
<b>Total</b>	-	-	-
Average age (days)			

9.1 Movement in the allowance for expected credit loss

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of the year	-	-
Adjustment for recognising revenue at fair value		
Loss allowance measured at an amount of 12 months ECL		
Loss allowance measured at an amount of more than 12 months ECL		
Reversal of Expected credit losses on trade receivables		
Balance at end of the year	-	-
Pertaining to the ECL Adjustments	-	-
Pertaining to the adjustment for revenue at fair value	-	-
<b>Total</b>	-	-

10. Loans

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
<b>a) Loans to related parties</b>				
-Unsecured, considered good	-	-	-	-
Less : Allowance for expected credit loss	-	-	-	-
<b>Subtotal (a)</b>	-	-	-	-
<b>b) Loans to other parties</b>				
-Unsecured, considered good	-	-	-	-
Less : Allowance for expected credit loss	-	-	-	-
-Unsecured, considered doubtful	-	-	-	-
Less : Allowance for bad and doubtful debts	-	-	-	-
<b>Subtotal (b)</b>	-	-	-	-
<b>Total (a+b)</b>	-	-	-	-

10.1 Movement in the allowance for expected credit loss.

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of the year	-	-
Loss allowance measured at an amount of 12 months ECL		
Loss allowance measured at an amount of more than 12 months ECL		
Reversal of Expected credit losses on loans given		
Reversal of Expected credit losses on account of acquisition of subsidiary		
Balance at end of the year	-	-



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

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Receivable under service concession arrangements	-	-	-	-
Claim & others receivable from authority	-	-	-	-
Derivative assets	-	-	-	-
Advances recoverable :				
From related parties	-	-	-	-
Allowance for expected credit loss	-	-	-	-
From related parties considered doubtful	-	-	-	-
Allowance for doubtful advances	-	-	-	-
From others	-	-	-	-
From others considered doubtful	-	-	-	-
Allowance for doubtful advances	-	-	-	-
Interest accrued - Related Party	-	-	-	-
Interest accrued - Others	-	-	-	-
Receivable for sale of investment	-	-	-	-
Call Option Premium Assets	-	-	-	-
Retention money receivable - Related Party	-	-	-	-
Retention money receivable - Others	-	-	-	-
Security Deposits - Related Party	-	-	-	-
Security Deposits - Others	1,000	-	1,000.00	-
Grant receivable	-	-	-	-
Unbilled Revenue	-	-	-	-
Balances with Banks in deposit accounts (under lien)	-	2,00,000	2,00,000	-
Interest Accrued on fixed deposits	-	-	-	-
Inter-corporate deposits	-	-	-	-
<b>Total</b>	<b>1,000</b>	<b>2,00,000</b>	<b>2,01,000</b>	<b>-</b>

Particulars	As at March 31, 2018	As at March 31, 2017
Cumulative Margin on construction and operation & maintenance and renewal services recognised in respect of Financial Assets		
Future Operation and maintenance and renewal services considered in respect of Financial Assets		
Revenue recognised on Receivables against Service Concession Arrangement on the basis of effective interest method		

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

Particulars	As at March 31, 2018	As at March 31, 2017
Raw materials		
Work-in-progress		
Stock-in-trade		
Stores and spares		
<b>Total</b>	<b>-</b>	<b>-</b>





**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
Notes forming part of Financial Statements for the year ended March 31, 2018  
(For Consolidation into the financial information of IL&FS Transportation Networks Limited)

**13. Cash and cash equivalents**

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

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with Banks		
- In current accounts	1,44,68,481	2,78,07,858
- In deposit accounts	-	-
Cash on hand	2,302	972
<b>Cash and cash equivalents</b>	<b>1,44,70,783</b>	<b>2,78,08,830</b>
Unpaid dividend accounts		
Balances held as margin money or as security against borrowings		
Other bank balances	-	-

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents	1,44,70,783	2,78,08,830
Less – Secured Demand loans from banks (Cash credit)(shown under current borrowings in note 18)		
Less – Unsecured Demand loans from banks (Bank overdraft) (shown under current borrowings in note 18)		
<b>Cash and cash equivalents for statement of cash flows</b>	<b>1,44,70,783</b>	<b>2,78,08,830</b>

c. Non-cash transactions excluded from cash flow statement  
Please add as necessary

**14. Other assets (Unsecured, considered good unless otherwise mentioned)**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Capital Advances				
-Secured, considered good	-	-	-	-
-Unsecured, considered good	53,85,692	-	93,85,692	-
-Doubtful	-	-	-	-
Less : Allowance for bad and doubtful loans	-	-	-	-
Other advances				
Prepaid expenses	2,17,88,683	3,24,91,741	6,68,27,592	5,98,30,229
Preconstruction and Mobilisation advances paid to contractors and other advances	34,53,87,977	-	47,59,97,703	-
Mobilisation advances considered doubtful	-	-	-	-
Allowance for doubtful advances	-	-	-	-
Advance Against Properties	-	-	-	-
Debts due by Directors	-	-	-	-
Current maturities of Long term loans and advances	-	-	-	-
Indirect tax balances / Receivable credit	-	10,88,666.00	-	-
Others assets	-	-	-	-
<b>Total</b>	<b>37,25,62,352</b>	<b>3,35,80,407</b>	<b>55,22,10,987</b>	<b>5,98,30,229</b>



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

Notes forming part of Financial Statements for the year ended March 31, 2018  
(For Consolidation into the financial information of IL&FS Transportation Networks Limited)

**15. Equity Share Capital**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	₹	Number of shares	₹
<b>Authorised</b>				
Equity Shares of ₹ 10/- each fully paid	50,10,00,000	5,01,00,00,000	50,10,00,000	5,01,00,00,000
Issued, Subscribed and Paid up Equity Shares of ₹ 10/- each fully paid	50,08,10,000	5,00,81,00,000	50,08,10,000	5,00,81,00,000
<b>Total</b>	<b>50,08,10,000</b>	<b>5,00,81,00,000</b>	<b>50,08,10,000</b>	<b>5,00,81,00,000</b>

**15.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year :**

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Number of shares	₹	Number of shares	₹
Shares outstanding at the beginning of the year	50,08,10,000	5,00,81,00,000	41,59,50,000	4,15,95,00,000
Shares issued during the year	-	-	8,48,60,000	84,86,00,000
<b>Shares outstanding at the end of the year</b>	<b>50,08,10,000</b>	<b>5,00,81,00,000</b>	<b>50,08,10,000</b>	<b>5,00,81,00,000</b>

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

Particulars	As at March 31, 2018	As at March 31, 2017
IL&FS Transportation Networks Limited, the holding company	50,08,10,000	50,08,10,000
<b>Total</b>	<b>50,08,10,000</b>	<b>50,08,10,000</b>

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

Equity Shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
IL&FS Transportation Networks Limited	50,08,10,000	100.00%	50,08,10,000	100.00%
<b>Total</b>	<b>50,08,10,000</b>	<b>100.00%</b>	<b>50,08,10,000</b>	<b>100.00%</b>

15.4 The Company has one class of equity shares with face value of ₹ 10 each fully paid-up. Each shareholder has a voting right in proportion to his holding in the paid-up equity share capital of the Company.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Where final dividend is proposed by the Board of Directors, it is subject to the approval of the shareholders in the Annual General Meeting.



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
Notes forming part of Financial Statements for the year ended March 31, 2018  
(For Consolidation into the financial information of IL&FS Transportation Networks Limited)

16. Other Equity (excluding non-controlling interests)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Capital Reserve</b>		
Balance at beginning of the year	-	-
Adjustments during the year	-	-
Balance at end of the year	-	-
<b>Securities premium reserve</b>		
Balance at beginning of the year	-	-
Addition during the year from issue of equity shares on a rights basis	-	-
Premium utilised towards discount on issue of Non-Convertible Debentures	-	-
Premium utilised towards rights issue expenses	-	-
Balance at end of the year	-	-
<b>General reserve</b>		
Balance at beginning of the year	-	-
Transfer from balance in Statement of Profit and Loss	-	-
Balance at end of the year	-	-
<b>Capital Reserve on consolidation</b>		
Balance at beginning of the year	-	-
Addition during the year	-	-
Balance at end of the year	-	-
<b>Debenture redemption reserve</b>		
Balance at beginning of the year	-	-
Transfer from / (to) balance in the Statement of Profit and Loss	-	-
Adjustment during the year for cessation of a subsidiary	-	-
Balance at end of the year	-	-
<b>Foreign currency monetary item translation reserve</b>		
Balance at beginning of the year	-	-
Addition during the year	-	-
Balance at end of the year	-	-
<b>Retained earnings</b>		
Balance at beginning of year	1,80,63,67,682	1,25,11,44,496
Profit attributable to owners of the Company	31,19,35,531	58,01,23,186
Payment of dividends on equity shares	-	-
Transfer (to) / from debenture redemption redemption reserve	-	-
Consolidated adjustments of MAT Liability for Previous Period	-	(2,49,00,000)
Balance at end of the year	2,11,83,03,213	1,80,63,67,682
<b>Sub-Total</b>	<b>2,11,83,03,213</b>	<b>1,80,63,67,682</b>
<b>Items of other comprehensive income</b>		
<b>Cash flow hedging reserve</b>		
Balance at beginning of year	-	-
Gain/(loss) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges	-	-
Others	-	-
Balance at end of the year	-	-
<b>Foreign currency translation reserve</b>		
Balance at beginning of year	-	-
Exchange differences arising on translating the foreign operations	-	-
Balance at end of the year	-	-
<b>Defined benefit plan adjustment</b>		
Balance at beginning of the year	-	-
Other comprehensive income arising from re-measurement of defined benefit	-	-
Balance at end of the year	-	-
<b>Deemed Equity</b>		
Balance at beginning of the year	11,81,39,969	6,78,25,823
Adjustments during the year	1,02,33,062	5,03,14,146
Balance at end of the year	12,83,73,031	11,81,39,969
<b>Sub-Total</b>	<b>12,83,73,031</b>	<b>11,81,39,969</b>
<b>Total</b>	<b>2,24,66,76,244</b>	<b>1,92,45,07,650</b>

Footnotes :



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

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

(For Consolidation into the financial information of IL&FS Transportation Networks Limited)

**17. Non-controlling interests**

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year		
Share of profit for the year		
Non-controlling interests arising on the acquisition of / additional investment in a subsidiary (net)		
Reduction in non-controlling interests on disposal of a subsidiary		
Additional non-controlling interests arising on disposal of interest in subsidiary that does not result in loss of control (net)		
<b>Total</b>		



**KIRATPUR MER CHOWK EXPRESSWAY LIMITED**

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

For Consolidation into the financial information of IILFES Transportation Networks Limited

**18. Borrowings**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Long term	Short term	Long term	Short term
Secured – as amortised cost:				
- from term deposits (Refer Note 3)				
- from other debts				
- from term loans	8,10,76,00,000		7,55,14,00,000	
- from financial institutions	4,10,70,00,000		4,01,00,00,000	
- from banks				
- from State Bank of India (SBI)				
- from Other banks				
- Demand loans from banks (Call/cash credit)				
Unsecured – as amortised cost:				
- from banks		1,23,32,86,926	1,38,81,80,031	
- from other parties				
- from banks				
- from State Bank of India (SBI)				
- from Other banks				
- from working parties (Refer Note 4)				
- from other parties				
- from Financial lease obligations				
- from Commercial paper				
- from other parties				
- from bank overdraft				
- Demand loans from banks (bank overdraft)				
- from bank overdraft				
Total	13,09,33,05,854	1,23,32,86,926	12,93,95,80,031	
Less: Current maturities of long term debt clubbed under short term liability	(25,87,915)		(28,75,000)	
Total	13,09,33,05,854	1,23,32,86,926	12,93,95,80,031	

**19. Commitments**

**19.1 Financial Guarantees**

a) Financial Guarantees: The Company, including the EPCV Account, only to the extent permitted under the concession agreement

b) Assignment of all the rights and interest of the Company to or in favour of the State Lenders to the extent covered by and in accordance with Sub-lender Agreement

c) Assignment of all rights of the Company under any guarantee that may be provided by any counter party under any contract / agreement / document relating to the project. In the event of any default by the counter party, the counter party shall be liable to the State Lenders to the extent of the guarantee provided.

**20. Terms of Borrowings**

a) The Borrowers shall repay the term loans from the proceeds of the quarterly instalments commencing on quarter ending June 30, 2019 and terminating on September 30, 2022, and to promoters at 7 annual quarterly instalments commencing on quarter ending December 31, 2020 and terminating on June 30, 2022, as per the Repayment Schedule, as set out in Exhibit (a)

b) Any terms and conditions may be applicable in accordance with the terms and conditions of the concession agreement and subject to the terms and conditions of the loan agreement and subject to the terms and conditions of the loan agreement and subject to the terms and conditions of the loan agreement.

c) If the any reason the amount fully disbursed by the senior lenders is less than the total commitments, the repayment instalments shall stand reduced proportionately but shall be paid on the repayment date, as set out in the repayment schedule

d) In the event of any default in the payment of the repayment instalments of principal, interest and default interest, postponement, if any, allowed by any of the senior lenders shall be at the discretion of the senior lenders and shall be subject to the terms and conditions of the concession agreement.

**21. Repayment Schedule**

Financial Year	Repayment of Principal (Rs. Crores)	Repayment of Interest (Rs. Crores)	Total (Rs. Crores)
2018-2019	1,014	1,191	2,205
2019-2020	1,014	1,191	2,205
2020-2021	1,014	1,191	2,205
2021-2022	1,014	1,191	2,205
2022-2023	1,014	1,191	2,205
2023-2024	1,014	1,191	2,205
2024-2025	1,014	1,191	2,205
2025-2026	1,014	1,191	2,205
2026-2027	1,014	1,191	2,205
2027-2028	1,014	1,191	2,205
2028-2029	1,014	1,191	2,205
2029-2030	1,014	1,191	2,205
2030-2031	1,014	1,191	2,205
2031-2032	1,014	1,191	2,205
2032-2033	1,014	1,191	2,205
Total	10,140	11,910	22,050

Total Loans Commitment is Rs. 1,4748,600,000/- from Banks and Rs. 1,807,600,000/- from Promoters.

Senior Debt: In 54 equal quarterly instalments commencing on quarter ending June 30, 2018 and terminating on September 30, 2022

Sub Debt: In 7 tranches in quarterly instalments commencing on quarter ending December 31, 2020 and terminating on June 30, 2022

3. The rate of interest on Sub Debt is 13.50% per annum

19.2. Repayment Schedule:

Total Loans Commitment is Rs. 1,4748,600,000/- from Banks and Rs. 1,807,600,000/- from Promoters.

Senior Debt: In 54 equal quarterly instalments commencing on quarter ending June 30, 2018 and terminating on September 30, 2022

Sub Debt: In 7 tranches in quarterly instalments commencing on quarter ending December 31, 2020 and terminating on June 30, 2022

3. The rate of interest on Sub Debt is 13.50% per annum



2. Auditors' analysis and Management's terms of the Guarantees, Loan Repayment Schedule, and Promoters' Guarantees, are set out in Exhibits (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), (r), (s), (t), (u), (v), (w), (x), (y), (z), (aa), (ab), (ac), (ad), (ae), (af), (ag), (ah), (ai), (aj), (ak), (al), (am), (an), (ao), (ap), (aq), (ar), (as), (at), (au), (av), (aw), (ax), (ay), (az), (ba), (bb), (bc), (bd), (be), (bf), (bg), (bh), (bi), (bj), (bk), (bl), (bm), (bn), (bo), (bp), (bq), (br), (bs), (bt), (bu), (bv), (bw), (bx), (by), (bz), (ca), (cb), (cc), (cd), (ce), (cf), (cg), (ch), (ci), (cj), (ck), (cl), (cm), (cn), (co), (cp), (cq), (cr), (cs), (ct), (cu), (cv), (cw), (cx), (cy), (cz), (da), (db), (dc), (dd), (de), (df), (dg), (dh), (di), (dj), (dk), (dl), (dm), (dn), (do), (dp), (dq), (dr), (ds), (dt), (du), (dv), (dw), (dx), (dy), (dz), (ea), (eb), (ec), (ed), (ee), (ef), (eg), (eh), (ei), (ej), (ek), (el), (em), (en), (eo), (ep), (eq), (er), (es), (et), (eu), (ev), (ew), (ex), (ey), (ez), (fa), (fb), (fc), (fd), (fe), (ff), (fg), (fh), (fi), (fj), (fk), (fl), (fm), (fn), (fo), (fp), (fq), (fr), (fs), (ft), (fu), (fv), (fw), (fx), (fy), (fz), (ga), (gb), (gc), (gd), (ge), (gf), (gg), (gh), (gi), (gj), (gk), (gl), (gm), (gn), (go), (gp), (gq), (gr), (gs), (gt), (gu), (gv), (gw), (gx), (gy), (gz), (ha), (hb), (hc), (hd), (he), (hf), (hg), (hh), (hi), (hj), (hk), (hl), (hm), (hn), (ho), (hp), (hq), (hr), (hs), (ht), (hu), (hv), (hw), (hx), (hy), (hz), (ia), (ib), (ic), (id), (ie), (if), (ig), (ih), (ii), (ij), (ik), (il), (im), (in), (io), (ip), (iq), (ir), (is), (it), (iu), (iv), (iw), (ix), (iy), (iz), (ja), (jb), (jc), (jd), (je), (jf), (jg), (jh), (ji), (jj), (jk), (jl), (jm), (jn), (jo), (jp), (jq), (jr), (js), (jt), (ju), (jv), (jw), (jx), (jy), (jz), (ka), (kb), (kc), (kd), (ke), (kf), (kg), (kh), (ki), (kj), (kk), (kl), (km), (kn), (ko), (kp), (kq), (kr), (ks), (kt), (ku), (kv), (kw), (kx), (ky), (kz), (la), (lb), (lc), (ld), (le), (lf), (lg), (lh), (li), (lj), (lk), (ll), (lm), (ln), (lo), (lp), (lq), (lr), (ls), (lt), (lu), (lv), (lw), (lx), (ly), (lz), (ma), (mb), (mc), (md), (me), (mf), (mg), (mh), (mi), (mj), (mk), (ml), (mm), (mn), (mo), (mp), (mq), (mr), (ms), (mt), (mu), (mv), (mw), (mx), (my), (mz), (na), (nb), (nc), (nd), (ne), (nf), (ng), (nh), (ni), (nj), (nk), (nl), (nm), (nn), (no), (np), (nq), (nr), (ns), (nt), (nu), (nv), (nw), (nx), (ny), (nz), (oa), (ob), (oc), (od), (oe), (of), (og), (oh), (oi), (oj), (ok), (ol), (om), (on), (oo), (op), (oq), (or), (os), (ot), (ou), (ov), (ow), (ox), (oy), (oz), (pa), (pb), (pc), (pd), (pe), (pf), (pg), (ph), (pi), (pj), (pk), (pl), (pm), (pn), (po), (pp), (pq), (pr), (ps), (pt), (pu), (pv), (pw), (px), (py), (pz), (qa), (qb), (qc), (qd), (qe), (qf), (qg), (qh), (qi), (qj), (qk), (ql), (qm), (qn), (qo), (qp), (qq), (qr), (qs), (qt), (qu), (qv), (qw), (qx), (qy), (qz), (ra), (rb), (rc), (rd), (re), (rf), (rg), (rh), (ri), (rj), (rk), (rl), (rm), (rn), (ro), (rp), (rq), (rr), (rs), (rt), (ru), (rv), (rw), (rx), (ry), (rz), (sa), (sb), (sc), (sd), (se), (sf), (sg), (sh), (si), (sj), (sk), (sl), (sm), (sn), (so), (sp), (sq), (sr), (ss), (st), (su), (sv), (sw), (sx), (sy), (sz), (ta), (tb), (tc), (td), (te), (tf), (tg), (th), (ti), (tj), (tk), (tl), (tm), (tn), (to), (tp), (tq), (tr), (ts), (tt), (tu), (tv), (tw), (tx), (ty), (tz), (ua), (ub), (uc), (ud), (ue), (uf), (ug), (uh), (ui), (uj), (uk), (ul), (um), (un), (uo), (up), (uq), (ur), (us), (ut), (uu), (uv), (uw), (ux), (uy), (uz), (va), (vb), (vc), (vd), (ve), (vf), (vg), (vh), (vi), (vj), (vk), (vl), (vm), (vn), (vo), (vp), (vq), (vr), (vs), (vt), (vu), (vv), (vw), (vx), (vy), (vz), (wa), (wb), (wc), (wd), (we), (wf), (wg), (wh), (wi), (wj), (wk), (wl), (wm), (wn), (wo), (wp), (wq), (wr), (ws), (wt), (wu), (wv), (ww), (wx), (wy), (wz), (xa), (xb), (xc), (xd), (xe), (xf), (xg), (xh), (xi), (xj), (xk), (xl), (xm), (xn), (xo), (xp), (xq), (xr), (xs), (xt), (xu), (xv), (xw), (xx), (xy), (xz), (ya), (yb), (yc), (yd), (ye), (yf), (yg), (yh), (yi), (yj), (yk), (yl), (ym), (yn), (yo), (yp), (yq), (yr), (ys), (yt), (yu), (yv), (yw), (yx), (yz), (za), (zb), (zc), (zd), (ze), (zf), (zg), (zh), (zi), (zj), (zk), (zl), (zm), (zn), (zo), (zp), (zq), (zr), (zs), (zt), (zu), (zv), (zw), (zx), (zy), (zz)

**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

Notes forming part of Financial Statements for the year ended March 31, 2018  
(For Consolidation into the financial information of IL&FS Transportation Networks Limited)

**3. The details of Redeemable Non-Convertible Debentures [NCDs] :**

Series of NCDs	Face value per NCD (₹)	Rate of interest % p.a.	Terms of repayment	Date of redemption	No. of NCDs issued	No. of NCDs outstanding	
						As at March 31, 2018	As at March 31, 2017
<b>Secured</b>							
<b>Unsecured</b>							



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

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

(For Consolidation into the financial information of IL&FS Transportation Networks Limited)

4. The Company has issued the following series of CRPS and CNCRPS

Series Name	Number of shares	Face value per share	Premium received per share	Maturity date	Dividend payout	Redemption terms



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

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

(For Consolidation into the financial information of IL&FS Transportation Networks Limited)

**19. Other financial liabilities**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Current maturities of long-term debt				
Current maturities of finance lease obligations				
Interest accrued		53,14,20,620		22,87,31,133
-:To Related Parties		13,501		2,77,916
-:To Others				
Income received in advance				
Payable for purchase of capital assets			46,66,563	
Retention Money Payable	57,02,668			
Derivative liability				
Security Deposit from customer				
Connectivity Charges Payable				
Unpaid dividends				
Premium payable to authority				
Unearned Revenue				
Financial guarantees contracts				
<b>Total</b>	<b>57,02,668</b>	<b>53,14,34,121</b>	<b>46,66,563</b>	<b>22,90,09,049</b>

**20. Provisions**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Provision for Employee benefits				
Provision for overlay (refer Footnote 1)				
Provision for replacement cost (refer Footnote 2)		28,43,000		97,58,150
Other provisions				
<b>Total</b>		<b>28,43,000</b>		<b>97,58,150</b>

**Footnotes :**

**1. Provision for overlay**

Provision for overlay in respect of toll roads maintained by the Group under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facility to a specified level of serviceability in respect of such asset. Estimate of the provision is measured using a number of factors, such as contractual requirements, technology, expert opinions and expected price levels. Because actual cash flows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provision is reviewed at regular intervals and adjusted to take account of such changes.

Accordingly, financial and accounting measurements such as the revenue recognized on financial assets, allocation of annuity into recovery of financial asset, carrying values of financial assets and depreciation of intangible assets and provisions for overlay in respect of service concession agreements are based on such assumptions.

Particulars	Year end March 31, 2018		Year end March 31, 2017	
	Non Current	Current	Non Current	Current
Balance at the beginning of the year				
Provision made during the year				
Utilised for the year				
Adjustment for foreign exchange fluctuation during the year				
Unwinding of discount and effect of changes in the discount rate				
<b>Balance at the end of the year</b>				





**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

Notes forming part of Financial Statements for the year ended March 31, 2018  
(For Consolidation into the financial information of IL&FS Transportation Networks Limited)

2. Provision for replacement cost

Particulars	Year end March 31, 2018		Year end March 31, 2017	
	Non Current	Current	Non Current	Current
Balance at the beginning of the year				
Provision made during the year				
Unwinding of discount and effect of changes in the discount rate				
Balance at the end of the year				

21. Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax assets		
Deferred tax liabilities		
Deferred Tax Asset / (Liabilities) (Net)		

Particulars	As at April 1, 2016	Movement Recognised in Statement of Profit and Loss	As at March 31, 2016	Movement Recognised in Statement of Profit and Loss	As at March 31, 2016	Exchange difference	Acquisitions /disposals	Year end March 31, 2017	Exchange difference	Acquisitions /disposals	Movement Recognised in other comprehensive income	As at March 31, 2017
	As at April 1, 2016	Movement Recognised in Statement of Profit and Loss	As at March 31, 2016	Movement Recognised in Statement of Profit and Loss	As at March 31, 2016	Exchange difference	Acquisitions /disposals	Year end March 31, 2017	Exchange difference	Acquisitions /disposals	Movement Recognised in other comprehensive income	As at March 31, 2017
<b>Deferred tax (liabilities)/assets in relation to:</b>												
Cash flow hedges												
Property, plant and equipment												
Finance leases												
Intangible assets												
Unamortised borrowing costs												
Provision for doubtful loans												
Provision for doubtful receivables												
Defined benefit obligation												
Other financial liabilities												
Other financial assets												
Other assets												
Others												
Expected credit loss in investments												
Expected credit loss in financial assets												
Business loss												
Capital loss												
Total (A)												
Tax Losses												
Unabsorbed Depreciation												
Total (B)												
Sub total												
MAT Credit Entitlement (refer footnote 1)												
Deferred Tax Asset / (Liabilities) (Net)												

Footnotes :



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
Notes forming part of Financial Statements for the year ended March 31, 2018  
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22. Other liabilities

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
(a) Mobilisation Advance Received				
(b) Other Advance received		1,94,99,245	-	3,49,41,851
(c) Others				
Statutory dues				
Other Liabilities				
<b>Total</b>		<b>1,94,99,245</b>		<b>3,49,41,851</b>

23. Trade payables

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Trade payables other than MSME				
-To Related Parties		2,38,29,28,973		1,54,08,31,712
-To Others		1,24,74,821		1,11,61,415
Bills payable				
<b>Total</b>		<b>2,39,54,03,794</b>		<b>1,55,19,93,127</b>

24. Current tax assets and liabilities

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Current tax assets				
Advance payment of taxes	1,12,02,215		1,13,94,000	
<b>Total</b>	<b>1,12,02,215</b>		<b>1,13,94,000</b>	
Current tax liabilities				
Provision for tax		29,86,00,000		18,23,00,000
<b>Total</b>		<b>29,86,00,000</b>		<b>18,23,00,000</b>

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
(a) MAT Liability				
-For earlier year		18,23,00,000		2,49,00,000
-For Current Year		11,63,00,000		15,74,00,000
<b>Total</b>		<b>29,86,00,000</b>		<b>18,23,00,000</b>



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**
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**(For Consolidation into the financial information of IL&FS Transportation Networks Limited)**
**25. Revenue from operations**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Advisory, Design and Engineering fees	-	-
(b) Supervision fees	-	-
(c) Operation and maintenance income	-	-
(d) Toll revenue	-	-
(e) User fee income	-	-
(f) Construction income	-	-
Claim from authority	-	-
Others	4,212,515,045	7,150,976,157
(g) Sales (net of sales tax)	-	-
(h) Operation and maintenance Grant	-	-
(i) Other operating income:	-	-
Claim from authority	-	-
Interest on Claims	-	-
Profit on sale of investment in Subsidiary	-	-
Insurance claim	-	-
(j) Income from utility shifting	20,852,302	42,922,012
<b>Total</b>	<b>4,233,367,347</b>	<b>7,193,898,169</b>

**26. Other Income**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income earned on financial assets that are not designated as at fair value through profit or loss	-	-
Interest on loans granted	-	-
Interest on debentures	-	-
Interest on Income Tax Refund	-	68,412
Interest on bank deposits (at amortised cost)	18,277	17,724
Interest on short term deposit	-	-
Dividend Income on non-current investments	-	-
Profit on sale of investment (net) (refer Footnotes)	-	-
Gain on disposal of property, plant and equipment	-	-
Excess provisions written back	222,062	-
Exchange rate fluctuation (Gain)	-	-
Insurance claim received / receivable	-	-
Miscellaneous income	-	-
Other gains and losses	-	-
Net gain/(loss) arising on financial assets designated as at FVTPL	-	-
Net gain / (loss) on derecognition of financial assets measured at amortised cost	-	-
Reversal of Expected credit losses on trade receivables (net)	-	-
Reversal of Expected credit losses on loans given (net)	-	-
Reversal of Expected credit losses on other financial assets (net)	-	-
<b>Total</b>	<b>240,339.00</b>	<b>86,136.00</b>

**26.1 Movement in Expected credit losses**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Expected credit loss allowance on trade receivables	-	-
Reversal of Expected credit losses on trade receivables	-	-
<b>Reversal of Expected credit losses on trade receivables (net)</b>	<b>-</b>	<b>-</b>
Expected credit loss allowance on loans given	-	-
Reversal of Expected credit losses on loans given	-	-
<b>Expected credit losses on loans given (net)</b>	<b>-</b>	<b>-</b>
<b>Expected credit losses on other financial assets (net)</b>	<b>-</b>	<b>-</b>



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

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

(For Consolidation into the financial information of IL&FS Transportation Networks Limited)

**27. Cost of Material Consumed & Construction Cost**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Material consumption	-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade.	-	-
<b>Total (a)</b>	-	-
Construction contract costs (b)	3,775,944,039	6,409,872,843
Expense towards Utility shifting (c)	20,852,302	42,922,012
<b>Total (a+b+c)</b>	<b>3,796,796,341</b>	<b>6,452,794,855</b>

**28. Operating Expenses**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Fees for technical services / design and drawings	-	-
Diesel and fuel expenses	-	-
Operation and maintenance expenses	-	-
Provision for overlay expenses	-	-
Provision for replacement cost	-	-
Toll plaza expenses	-	-
Other Operating Expenses	-	-
<b>Total</b>	-	-

**29. Employee benefits expense**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and Wages	180,000	5,806.00
Contribution to provident and other funds (Refer Note 37.1 )	-	-
Staff welfare expenses	-	-
Deputation Cost	-	-
<b>Total</b>	<b>180,000</b>	<b>5,806.00</b>

**30. Finance costs**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Interest costs		
Interest on bank overdrafts, loans and debentures		
Interest on loans for fixed period (refer Footnote)	-	-
Interest on debentures	-	-
Discount on commercial paper	-	-
Other interest expense	-	-
(b) Dividend on redeemable preference shares	-	-
(c) Other borrowing costs		
Guarantee commission	-	-
Finance charges	-	-
Upfront fees on performance guarantee	-	-
(d) Others		
Loss / (gain) arising on derivatives designated as hedging instruments in cash flow hedges	-	-
(Gain) / Loss arising on adjustment for hedged item attributable to the hedged risk in a designated cash flow hedge accounting relationship	-	-
<b>Total (a+b+c+d)</b>	-	-

**Footnote :**

Interest on bank overdrafts, loans and debentures is net off ₹ NIL Crore (previous year ₹ NIL) on account of Credit Value Adjustment / Debit Value Adjustments (CVA / DVA) on derivative contracts on borrowings



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

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

(For Consolidation into the financial information of IL&amp;FS Transportation Networks Limited)

**31. Depreciation and amortisation expense**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property, plant and equipment	-	-
Depreciation of investment property (refer Note 3)	-	-
Amortisation of intangible assets (refer Note 5)	-	-
<b>Total depreciation and amortisation</b>	<b>-</b>	<b>-</b>

**32. Other expenses**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Legal and consultation fees	14,12,649	7,50,076
Travelling and conveyance	45,686	14,501
Rent (refer Note 36.2)	-	-
Rates and taxes	13,50,584	3,07,625
Repairs and maintenance	-	-
Bank commission	48,908	1,94,689
Registration expenses	18,600	10,32,000
Communication expenses	-	700
Insurance	-	-
Printing and stationery	-	560
Electricity charges	-	-
Directors' fees	8,44,800	5,28,200
Loss on sale of fixed assets (net)	-	-
Brand Subscription Fee	-	-
Corporate Social Responsibility Exp. (Refer Note 32.2)	38,00,000	-
Business promotion expenses	-	-
Payment to auditors (Refer Note 32.1)	8,36,410	7,87,420
Provision for doubtful debts and receivables	-	-
Miscellaneous expenses	38,177	44,687
<b>Total</b>	<b>83,95,814</b>	<b>36,60,458</b>

**32.1 Payments to auditors**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a) For audit	2,42,000	2,20,000
b) For taxation matters	-	-
c) For other services	5,77,160	4,59,000
d) For reimbursement of expenses	15,000	6,000
e) Service tax on above	2,250	1,02,420
<b>Total</b>	<b>8,36,410</b>	<b>7,87,420</b>



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

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

(For Consolidation into the financial information of IL&amp;FS Transportation Networks Limited)

**32.2 Expenditure incurred for corporate social responsibility**

In terms of Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been formed by the Company. The areas for CSR activities as per the CSR policy are (i) Promotion of education, (ii) promoting gender equality and empowering women, (iii) reducing child mortality and improving maternal health, (iv) ensuring environmental sustainability, (v) employment enhancing vocational skills, (vi) social business projects, (vii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socioeconomic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women and (viii) such other matters as may be prescribed.

In line with Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, issued by the Institute of Chartered Accountants of India, the disclosure of the CSR expenditure during the year, is as under:

Particulars	₹	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>(a) Gross amount required to be spent by the company during the year:</b>	48,28,789	-
<b>(b) Amount spent during the year on:</b>		
(i) Skilling for employment	-	-
(ii) Livelihood Development	-	-
(iii) Education enhancement	-	-
(iv) Local Area projects	-	-
(v) Others	38,00,000	-
<b>Total</b>	<b>38,00,000</b>	<b>-</b>

**33. Income taxes****33.1 Income tax recognised in profit or loss**

Particulars	₹	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>Current tax</b>		
In respect of the current period	11,63,00,000	15,74,00,000
In respect of prior period	-	-
	<b>11,63,00,000</b>	<b>15,74,00,000</b>
<b>Deferred tax</b>		
In respect of the current period	-	-
MAT credit entitlement	-	-
	<b>11,63,00,000</b>	<b>15,74,00,000</b>
<b>Total income tax expense recognised in the current period relating to continuing operations</b>	<b>11,63,00,000</b>	<b>15,74,00,000</b>



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
**Notes forming part of Financial Statements for the year ended March 31, 2018**  
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33.2 The income tax expense for the period can be reconciled to the accounting profit as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before tax from continuing operations	42,82,35,531	73,75,23,186
Income tax expense calculated at 0% to 34.608%	11,63,00,000	15,74,00,000
Income tax expense reported in the statement of profit and loss	11,63,00,000	15,74,00,000
Movement to be explained	-	-
Set off against unabsorbed depreciation and carry forward losses	-	-
Deferred tax not created on IndAS adjustment	-	-
Effect of income that is exempt from taxation	-	-
Effect of expenses that are not deductible in determining taxable profit	-	-
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	-	-
Foreign Withholding tax	-	-
Deferred tax not created on business losses	-	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	-	-
Preference dividend accounted as finance cost in IndAS	-	-
Reversal of tax at normal rate in the tax holiday period and MAT on book profit	-	-
Effect on deferred tax balances due to the change in income tax rate	-	-
Profit on sale of Investment. Nil tax since capital loss as per Tax	-	-
Deferred tax created on Capital Losses	-	-
Deferred tax created on Business Losses	-	-
Others	-	-
Total movement explained	-	-
Adjustments recognised in the current year in relation to the current tax of prior years	-	-
<b>Income tax expense recognised in profit or loss (relating to continuing operations)</b>	-	-

As against the tax liability of Rs. 15.74 crores the Company has made provision of Rs. 15.74 crores in the financial for FY 2016-17 considering profit as per accounting done under IND-AS, however in the return of income, the Company has eliminated notional adjustment in profits under IND-AS and paid the tax of Rs. NIL. The company is in process to file the letter to the tax authorities, fully disclosing the facts and the stand taken for filing the return of income. The above views has been taken on the basis of ;

(i) various judicial precedents on " Notional Vs Real Income" concept and

(ii) CBDT Circular no 24 of 2017 clarifying that "adjustments on account of Service Concession Arrangements would be included in the Transition Amount and also on an ongoing basis" is not binding on the company.

33.3 Income tax recognised in other comprehensive income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Deferred tax</b>	-	-
Arising on income and expenses recognised in other comprehensive income:	-	-
Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge	-	-
Re-measurement of defined benefit obligation	-	-
<b>Total</b>	-	-
Bifurcation of the income tax recognised in other comprehensive income into:-	-	-
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified to profit or loss	-	-



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

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

(For Consolidation into the financial information of IL&FS Transportation Networks Limited)

**34. Earnings per share**

Particulars	Unit	Year ended	Year ended March
		March 31, 2018	31, 2017
Profit for the year attributable to owners of the Company	₹	31,19,35,531	58,01,23,186
Weighted average number of equity shares	Number	50,08,10,000	49,25,35,645
Nominal value per equity share	₹	10	10
<b>Basic / Diluted earnings per share</b>	₹	<b>0.62</b>	<b>1.18</b>

**35. Subsidiaries**

Details of the Group's subsidiaries at the end of the reporting year are as follows.

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group (%)	
			As at March 31, 2018	As at March 31, 2017
<b>1. Held directly:</b>				
<b>2. Held through subsidiaries:</b>				

NOT APPLICABLE

**35.1 Composition of the Group**

Details of the Group's joint venture at the end of the reporting year are as follows.

Name of joint operation	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group (%)	
			As at March 31, 2018	As at March 31, 2017
<b>Held Directly :</b>				
<b>Held through Subsidiaries :</b>				

NOT APPLICABLE





**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
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The Group's interest in jointly controlled operations are :

Name of the Jointly Controlled Operations	Proportion of Group's Interest (%)	
	As at March 18	As at March 17
NOT APPLICABLE		

35.2 Details of the Group's associates at the end of the reporting period are as follows.

Name of joint operation	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group (%)	
			As at March 31, 2018	As at March 31, 2017
<b>1.Held directly :</b>	NOT APPLICABLE			
<b>2.Held through Subsidiaries :</b>				



KIRATPUR NER CHOWK EXPRESSWAY LIMITED

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

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35.3 The financial position and results of the Companies which became a subsidiary / ceased to be a subsidiary

a. The financial position and results (after eliminations and consolidation adjustments) of entities which became subsidiaries during the Year ended March 31, 2018 are given below:

Particulars	Name of Subsidiary	Name of Subsidiary
<b>Assets As at March 31, 2018</b>		
Non-current assets		
Current assets		
Total	-	-
<b>Equity and Liability As at March 31, 2018</b>		
Total Equity		
Current liabilities		
Total	-	-
<b>Income for the period (from the date of incorporation / acquisition to March 31, 2018)</b>		
Operating income		
Other income		
Total Income	-	-
<b>Expenses for the period (from the date of incorporation / acquisition to March 31, 2018)</b>		
Operating expenses		
Depreciation		
Interest cost		
Other administrative expenses		
Total Expenses	-	-
Profit / (Loss) for the period before tax	-	-
Taxes		
Profit / (Loss) for the period after tax	-	-
Other Comprehensive Income / (loss)		
Total other comprehensive Income / (loss)	-	-

b. The financial position and results (after eliminations and consolidation adjustments) of entities which became subsidiaries during the Year ended March 31, 2017 are given below:

Particulars	Name of Subsidiary	Name of Subsidiary	Name of Subsidiary	Name of Subsidiary	Name of Subsidiary	Name of Subsidiary
<b>Assets As at March 31, 2017</b>						
Non-current assets						
Current assets						
Total	-	-	-	-	-	-
<b>Equity and Liability As at March 31, 2017</b>						
Total Equity						
Non-current liabilities						
Current liabilities						
Total	-	-	-	-	-	-
<b>Income for the period (from the date of incorporation / acquisition to March 31, 2017)</b>						
Operating income						
Other income						
Total Income	-	-	-	-	-	-
<b>Expenses for the period (from the date of incorporation / acquisition to March 31, 2017)</b>						
Operating expenses						
Depreciation						
Interest cost						
Other administrative expenses						
Total Expenses	-	-	-	-	-	-
Profit / (Loss) for the period before tax						
Taxes						
Profit / (Loss) for the period after tax	-	-	-	-	-	-
Other Comprehensive Income / (loss)						
Total other comprehensive Income / (loss)	-	-	-	-	-	-



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

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

(For Consolidation into the financial information of IL&amp;FS Transportation Networks Limited)

**36. Leases****36.1 Obligations under finance leases****The Company as lessee****Finance lease liabilities**

₹

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Not later than one year				
Later than one year and not later than five years				
Later than five years				
Less: Future Finance charges	-	-	-	-
<b>Present value of minimum lease payments</b>	-	-	-	-

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Included in the financial statements as:		
- Non-current borrowings (note 18)	-	-
- Current maturities of finance lease obligations (note 18)	-	-
<b>Total</b>	-	-

**36.2 Operating lease arrangements****The Company as lessee**Leasing arrangements

The Company holds certain properties under a non-cancellable operating lease. The Company's future lease rentals under the operating lease arrangements as at the year ends are as under:

Non-cancellable operating lease commitments

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Not later than 1 year		
Later than 1 year and not later than 5 years		
Later than 5 years		
<b>Total</b>	-	-



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

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

(For Consolidation into the financial information of IL&amp;FS Transportation Networks Limited)

₹

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Amount charged to the Statement of Profit and Loss for rent		
<b>Total</b>	-	-

The lease terms do not contain any exceptional / restrictive covenants nor are there any options given to Company to renew the lease or purchase the properties. The agreements provide for changes in the rentals if the taxes leviable on such rentals change.

**The Company as lessor**Leasing arrangements

The Company has given certain machinery under a non-cancellable operating lease. The Company's future lease receivables under the operating lease arrangements as at the year ends are as under:

Future lease rentals:

₹

Particulars	As at March 31, 2018	As at March 31, 2017
Not later than 1 year		
Later than 1 year and not later than 5 years		
Later than 5 years		
<b>Total</b>	-	-

₹

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Amount credited to the Statement of Profit and Loss for rent		
<b>Total</b>	-	-

The lease terms do not contain any exceptional / restrictive covenants nor are there any options given to lessee to renew the lease or purchase the properties. The agreements provide for changes in the rentals if the taxes leviable on such rentals change.



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
**Notes forming part of Financial Statements for the year ended March 31, 2018**  
**(For Consolidation into the financial information of IL&FS Transportation Networks Limited)**

**37. Employee benefit plans**

**37.1 Defined contribution plans**

The Company offers its employees defined contribution benefits in the form of provident fund, family pension fund and superannuation fund. Provident fund, family pension fund and superannuation fund cover substantially all regular employees. Contributions are paid during the year into separate funds under certain statutory / fiduciary-type arrangements. While both the employees and the Company pay predetermined contributions into the provident fund and pension fund, contributions to superannuation fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. The assets of the plans are held separately from those of the Company in funds under the control of Regional provident fund office and third party fund manager.

The total expense recognised in profit or loss of Rs.NIL (for the Year ended March 31, 2017: Rs. NIL) represents contributions payable to these plans by the Company at rates specified in the rules of the plans.

**37.2 Defined benefit plans**

The Company offers its employees defined-benefit plans in the form of gratuity (a lump sum amount). Amounts payable under defined benefit plans are typically based on years of service rendered and the employee's eligible compensation (immediately before retirement). The gratuity scheme covers substantially all regular employees. In the case of the gratuity scheme, the Company contributes funds to the Life Insurance Corporation of India which administers the scheme on behalf of the Company. The Plan Assets comprise of a Gratuity Fund maintained by LIC of India. Commitments are actuarially determined at year end. Actuarial valuation is based on "Projected Unit Credit" method. The Company recognizes Actuarial Gain & Loss in the Other Comprehensive Income Account in the year in which they occur.

Under the plans, the employees are entitled to post-retirement lumpsum amounting to 30 days of final salary for each completed years of service. The eligible salary is Basic pay. Benefits are vested to employee on completion of 5 year

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined based on the benchmark yields available on Government Bonds at the valuation date with terms matching that of the liabilities. If the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. the salary increase rates take into account inflation, seniority, promotion and other relevant factor

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions, which if changed, would affect the defined benefit commitment's size, funding requirements and pension expense. The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at	
	As at March 31, 2018	As at March 31, 2017
Discount rate(s)		
Rate of increase in compensation <sup>#</sup>		
Mortality rates <sup>*</sup>		
Employee Attrition rate (Past service)		

<sup>#</sup> The estimates of future salary increases considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

<sup>\*</sup> Based on India's standard mortality table with modification to reflect expected changes in mortality/ other



Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Service cost:		
Current service cost		
Past service cost and (gain)/loss from settlements		
Net interest expense		
<b>Components of defined benefit costs recognised in profit or loss</b>	-	-
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)		
Actuarial (gains) / losses arising from changes in demographic assumptions*		
Actuarial (gains) / losses arising from changes in financial assumptions		
Actuarial (gains) / losses arising from experience adjustments		
<b>Components of defined benefit costs recognised in other comprehensive income</b>	-	-
<b>Total</b>	-	-

\* This figure does not reflect interrelationship between demographic assumption and financial assumption when a limit is applied on the benefit, the effect will be shown as an experience

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income. The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of funded defined benefit obligation		
Fair value of plan assets		
Funded status		
<b>Net liability arising from defined benefit obligation</b>	-	-

Movements in the present value of the defined benefit obligation are as follows.

Particulars	As at March 31, 2018	As at March 31, 2017
Opening defined benefit obligation		
Current service cost		
Interest cost		
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions		
Actuarial gains and losses arising from changes in financial assumptions		
Actuarial gains and losses arising from experience adjustments		
Benefits paid		
Others - Transfer outs		
<b>Closing defined benefit obligation</b>	-	-

Movements in the fair value of the plan assets are as follows.

Particulars	As at March 31, 2018	As at March 31, 2017
Opening fair value of plan assets		
Interest income		
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)		
Adjustment to Opening Fair Value of Plan Asset		
Contributions from the employer		
Benefits paid		
<b>Closing fair value of plan assets</b>	-	-



The fair value of the plan assets at the end of the reporting period for each category, are as follows.

Particulars	Fair Value of plan asset as at		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2015
Cash and cash equivalents	-	-	-
Gratuity Fund (LIC)	-	-	-
<b>Total</b>	-	-	-

All of the Plan Asset is entrusted to LIC of India under their \_\_\_\_\_. The reimbursement is subject to LIC's Surrender Policy. Since the scheme funds are invested with LIC of India Expected rate of return on Plan assets is based on rate of return declared by fund manager

The actual return on plan assets was ₹ NIL (2017: ₹ NIL ).

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

• If the discount rate is 100 basis points higher/(lower), the defined benefit obligation would decrease by ₹ NIL (decrease by ₹ NIL As at March 31, 2017) and increase by ₹ NIL (increase by ₹ NIL As at March 31, 2017).

• If the salary escalation rate increases (decreases) by 1%, the defined benefit obligation would increase by ₹ NIL (increase by ₹ NIL As at March 31, 2017) and decrease by ₹ NIL (decrease by ₹ NIL As at March 31, 2017).

• If the Attrition rate increases (decreases) by 1%, the defined benefit obligation would increase by ₹ NIL (increase by ₹ NIL As at March 31, 2017) and decrease by ₹ NIL (decrease by ₹ NIL As at March 31, 2017).

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

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

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior year

The average duration of the benefit obligation at March 31, 2018 is NIL years (As at March 31, 2017: NIL years).

The expected contributions to the defined benefit plan for the next annual reporting period as at March 31 2018 is ₹ NIL ( as at March 31 2017 is ₹ NIL)



KIRATPUR NER CHOWK EXPRESSWAY LIMITED  
Notes forming part of Financial Statements for the year ended March 31, 2018  
(For Consolidation into the financial information of IL&FS Transportation Networks Limited)

38. Business combinations NOT APPLICABLE

38.1.1 Business combinations

Particulars	Principal activity	Date of acquisition	Proportion of voting equity interests acquired (%)	Consideration transferred
During the period Name of Entity acquired				
Total				

38.1.2 Consideration transferred

Particulars	Name of Entity acquired	Name of Entity acquired
Cash		
Othres		
Total	-	-

38.1.3 Assets acquired and liabilities recognized at the date of acquisition

Particulars	Name of Entity acquired	Name of Entity acquired
	Date of acquisition	Date of acquisition
<b>Current assets</b>		
Cash and cash equivalents		
Inventories		
Other current financial assets		
Other current assets		
<b>Non-current assets</b>		
Deferred tax Assets		
Non current tax		
Loans given		
Other non current financial assets		
Other Non current assets		
Total (A)	-	-
<b>Current liabilities</b>		
Trade payables		
Other current financial liability		
Other current liability		
<b>Non-current liabilities</b>		
Borrowings		
Other non current financial liability		
Deferred Tax liability		
Total (B)	-	-
Net Assets acquired (A-B)	-	-

38.1.4 Goodwill arising on acquisition

Particulars	Name of Entity acquired	Name of Entity acquired
Consideration transferred		
Less: fair value of identifiable net assets acquired		
Goodwill arising on acquisition	-	-

Goodwill arose in the acquisition of RLHL because the cost of the acquisition included a control premium. In addition, the consideration paid effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

38.1.5 Net cash outflow on acquisition of subsidiaries

Particulars	Name of Entity acquired	Name of Entity acquired
	Date of acquisition	Date of acquisition
Consideration paid in cash		
Less: cash and cash equivalent balances acquired		
Total	-	-





KIRATPUR NER CHOWK EXPRESSWAY LIMITED  
Notes forming part of Financial Statements for the year ended March 31, 2018  
(For Consolidation into the financial information of IL&FS Transportation Networks Limited)

38.2 Disposal of a subsidiary

38.2.1 Consideration received

Particulars	Date of Disposal
Consideration received in cash and cash equivalents	
<b>Total consideration received</b>	-

38.2.2 Analysis of asset and liabilities over which control was lost

Particulars	Name of entity Date of Disposal
<b>Current assets</b>	
Cash and cash equivalents	
Other Current Financial assets	
Current tax assets (Net)	
Other assets	
<b>Non-current assets</b>	
Property, plant and equipment and Investment property	
Other Non Current Financial assets	
Other assets	
<b>Total (A)</b>	-
<b>Current liabilities</b>	
Borrowings	
Other financial liabilities	
Provisions	
Other current liabilities	
<b>Non-current liabilities</b>	
Borrowings	
<b>Total (B)</b>	-
<b>Net assets disposed of (A-B)</b>	-

38.2.3 Loss on disposal of a subsidiary

Particulars	Year ended March 31, 2018
Consideration received	-
Less : Net assets disposed of	-
Less : Goodwill impairment	-
<b>Loss on disposal</b>	-

38.2.4 Net cash inflow/(outflow) on disposal of a subsidiary

Particulars	Year ended March 31, 2018
Consideration received in cash and cash equivalents	-
Less: cash and cash equivalent balances disposed of	-
<b>Total</b>	-



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

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

(For Consolidation into the financial information of IL&amp;FS Transportation Networks Limited)

**39. Disclosure in respect of Construction Contracts**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contract revenue recognised as revenue during the year	4,212,515,044.59	7,150,976,157.15

Particulars	As at March 31, 2018	As at March 31, 2017
Cumulative revenue recognised	2,459,196,213	2,022,625,207
Advances received		
Retention Money receivable		
Gross amount due from customers for contract work, disclosed as asset (i.e. Unbilled Revenue)		
Gross amount due to customers for contract work, disclosed as liability (i.e. Unearned Revenue)		

**40. Commitments for expenditure**

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances paid aggregate ₹ 34.54 crore ( As at March 31, 2017 ₹ 47.60 crore)	10,195,441,359	11,888,241,807
(b) Other commitments		
Connectivity charges to Haryana Urban Development Authority		
<b>Total</b>	<b>10,195,441,359</b>	<b>11,888,241,807</b>

**41. Contingent liabilities and Letter of awareness and letter of financial support****41.1 Contingent liabilities**

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Claims against the Company not acknowledged as debt	-	-
(b) Other money for which the company is contingently liable		
- Income tax demands contested by the Group	-	-
- Other tax liability	-	-
- Royalty to Nagpur Municipal Corporation	-	-
- Others	-	-
(c) Guarantees/ counter guarantees issued in respect of other companies	-	-
(d) Put option on sale of investment	-	-
- Contingent liabilities incurred by the Company arising from its interests in joint ventures	-	-
- Contingent liabilities incurred by the Company arising from its interests in associates	-	-



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
**Notes forming part of Financial Statements for the year ended March 31, 2018**  
**(For Consolidation into the financial information of IL&FS Transportation Networks Limited)**

**42. Related Party Disclosures**

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

Nature of Relationship	Name of Entity	Abbreviation used	March 2018	March 2017
Ultimate Holding Company	Infrastructure Leasing & Financial Services Limited	IL&FS	✓	✓
Holding Company	IL&FS Transportation Networks Limited	ITNL	✓	✓
Fellow Subsidiaries (Only with whom there have been transaction during the period/ there was balance outstanding at the year end)	Elsamex Maintenance Services Limited	Elsamex	✓	✓
	IL&FS Financial Services Limited	IFIN	✓	✓
	ISSL CPG BPO Limited	ISSL	✓	
Key Management Personnel ("KMP")	Mr Nishant Srivastava (Managing Director)	MD	✓	✓
	Mr Chetan Panchal (Chief Financial Officer)	CFO	✓	✓
	Mr Amit Kamat (Company Secretary) w.e.f. March 20, 2017	CS	✓	✓



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

Notes forming part of Financial Statements for the year ended March 31, 2018  
(For Consolidation into the financial information of IL&FS Transportation Networks Limited)

Related Party Disclosures (contd.)

Year ended March 31, 2018

(b) transactions/ balances with above mentioned related parties (mentioned in note 42 above)

Particulars	Company Name	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Key Management personnel and relatives	Sitting Fees	Total
Balance							
Equity share capital	ITNL		5,00,81,00,000				5,00,81,00,000
Sub Debt	ITNL		1,67,92,26,969				1,67,92,26,969
Short Term Loan	ITNL		1,23,92,66,926				1,23,92,66,926
Trade Payables	ITNL		2,38,29,25,652				2,38,29,25,652
Trade Payables	Elsamex						
Trade Payables	IFIN						3,321
Interest accrued but not due	ITNL		53,14,20,620	3,321			53,14,20,620
Mobilisation Advance	ITNL		34,53,87,977				34,53,87,977

Particulars	Company Name	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Key Management personnel and relatives	Sitting Fees	Total
Equity share capital	ITNL						
Sub Debt	ITNL		30,03,00,000				30,03,00,000
Short Term Loan	ITNL		1,23,92,66,926				1,23,92,66,926
Mobilisation Advance Recovery	ITNL		13,06,09,726				13,06,09,726
Construction Cost	ITNL		1,48,30,58,907				1,48,30,58,907
Project Management Fees	ITNL		35,17,50,000				35,17,50,000
Interest Expenses on EPC Delayed Payment	ITNL		15,23,15,021				15,23,15,021
Interest Expenses - Sub Debt	ITNL		18,15,22,072				18,15,22,072
Interest Expenses - STL	ITNL		3,69,73,106				3,69,73,106
Salary to Key Management Personnel							
Mr. Amit Kamat	Company Secretary				1,80,000		1,80,000



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

Notes forming part of Financial Statements for the year ended March 31, 2018  
(For Consolidation into the financial information of IL&FS Transportation Networks Limited)

Related Party Disclosures (contd.)  
Year ended March 31, 2017

(b) transactions/ balances with above mentioned related parties (mentioned in note 42 above)

Particulars	Company Name	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Key Management personnel and relatives	Sitting Fees	Total
Balance							
Equity share capital	ITNL		5,00,81,00,000				5,00,81,00,000
Sub Debt	ITNL		1,50,73,00,000				1,50,73,00,000
Short Term Loan	ITNL		-				-
Trade Payables	ITNL		1,54,08,31,712				1,54,08,31,712
Trade Payables	Elamex						
Trade Payables	IFIN						
Interest accrued but not due	ITNL		22,87,31,133				22,87,31,133
Mobilisation Advance	ITNL		47,59,97,703				47,59,97,703

Particulars	Company Name	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Key Management personnel and relatives	Sitting Fees	Total
Equity share capital	ITNL		84,86,00,000				84,86,00,000
Sub Debt	ITNL		91,44,85,854				91,44,85,854
Bridge Loan	ITNL		20,79,00,000				20,79,00,000
Mobilisation Advance Recovery	ITNL		47,17,39,278				47,17,39,278
Short Term Loan- Bridge Loan Repayment	ITNL		75,92,00,000				75,92,00,000
Construction Cost	ITNL		5,11,07,85,237				5,11,07,85,237
Project Development Fees	ITNL		13,22,50,000				13,22,50,000
Interest Expenses - Sub Debt	ITNL		14,41,00,878				14,41,00,878
Interest Expenses - Bridge Loan	ITNL		7,16,09,566				7,16,09,566
Professional Fees	ISSL			18,400			18,400
Rates & Taxes	ISSL			3,000			3,000
Salary to Key Management Personnel							
Mr. Amit Kamal	Company Secretary				5,806		5,806



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
**Notes forming part of Financial Statements for the year ended March 31, 2018**  
**(For Consolidation into the financial information of IL&FS Transportation Networks Limited)**

**43. Segment Reporting**

The Company is engaged in infrastructure business and is a Special Purpose Entity formed for the specific purpose detailed in Note No.1 and thus operates in a single business segment. Also it operates in a single geographic segment. In the absence of separate reportable business or geographic segments the disclosures required under the Indian Accounting Standard (IND AS) 108 – 'Operating Segment' have not been made.

	Surface Transportation Business		Others		Total	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Revenue						
External						
Inter-Segment						
Segment Revenue						
Segment expenses						
Segment results						
Unallocated income (excluding interest income) (Refer Footnote 3)						
Unallocated expenditure (Refer Footnote 4)						
Finance cost						
Interest income unallocated						
Tax expense (net)						
Share of profit / (loss) of Joint ventures (net)						
Share of profit / (loss) of Associates (net)						
Profit for the year						
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
<b>Segment assets</b>						
Unallocated Assets (Refer Footnote 1)						
<b>Total assets</b>						
<b>Segment liabilities</b>						
Unallocated Liabilities (Refer Footnote 2)						
<b>Total liabilities</b>						
<b>Capital Expenditure for the year</b>	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation and amortisation expense						
Non cash expenditure other than depreciation for the year						

(ii) Secondary - Geographical Segments:

Particulars	India		Outside India		Total	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Revenue - External						
Capital Expenditure	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Segment Assets						



**Footnotes:**

- 1) Unallocated assets include investments, advance towards share application money, loans given, interest accrued, option premium, deferred tax assets, advance payment of taxes (net of provision), unpaid dividend accounts and fixed deposits placed for a period exceeding 3 months, goodwill on consolidation etc.
- 2) Unallocated liabilities include borrowings, interest accrued on borrowings, deferred tax liabilities (net), provision for tax (net), unpaid dividends etc.
- 3) Unallocated income includes Profit on sale of investment (net), Advertisement income, Excess provisions written back, Miscellaneous income and Exchange rate fluctuation
- 4) Unallocated expenditure includes Exchange rate fluctuation, Directors' fees and Brand subscription fees

**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**

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

**(For Consolidation into the financial information of IL&FS Transportation Networks Limited)**

**44 Approval of financial statements**

The Financial statements were approved for issue by the Board of Directors on April 27, 2018

**45 Previous Year Figures**

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

In terms of our report attached.

**For Gianender & Associates**

Chartered Accountants

Firm Registration no. 004661N



**G. K. Agarwal**

Partner

Membership Number : 081603

Place: Mumbai

Date: April 27, 2018



**For and on behalf of the Board**



**Managing Director**



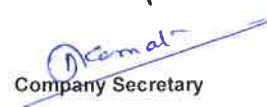
**Chief Financial Officer**

Place: Mumbai

Date: April 27, 2018



**Director**



**Company Secretary**

**KIRATPUR NER CHOWK EXPRESSWAY LIMITED****Audit for the year ended March 31, 2018**Differences in Accounting Policies & Disclosures

## Accounting Policies Differences

Accounting Policy of consolidating entity	Accounting Policy of ITNL	Difference (Explain)	Impact (Estimated if not quantified)	Action proposed
			₹	

\*only if impact as quantified or likely to be greater than ₹ 1.20 Mn

Indicate Accounting Policy followed by Component for the items not covered in ITNL Accounting Policy

Accounting Policy of consolidating entity and its financial impact

For Kiratpur Ner Chowk Expressway Ltd.

In terms of our clearance memorandum attached

**For Gianender & Associates**

Chartered Accountants

Firm Registration no. 004661N



Chief Financial Officer

Place: Mumbai

Date: April 27, 2018



**G. K. Agarwal**

Partner

Membership Number : 081603

Place: Mumbai

Date: April 27, 2018



## KIRATPUR NER CHOWK EXPRESSWAY LIMITED

## Shareholding Pattern as at March 31, 2018

Sr. No.	Name of the Shareholder	March 31, 2018	
		No of Shares Held	% Holding
1	IL&FS Transportation Networks Limited	50,08,09,940	100%
2	IL&FS Transportation Networks Limited & Mr. Dilip Bhatia	10	-
3	IL&FS Transportation Networks Limited & Mr. Krishna Ghag	10	-
4	IL&FS Transportation Networks Limited & Mr. Prashant Agarwal	10	-
5	IL&FS Transportation Networks Limited & Mr. Ajay Menon	10	-
6	IL&FS Transportation Networks Limited & Ms. Jyotsna Matomdakar	10	-
7	IL&FS Transportation Networks Limited & Mr. Chandrakant Jagasia	10	-
		50,08,10,000	100%
	Total		

For Kiratpur Ner Chowk Expressway Ltd.



Chief Financial Officer

Place:

Date:



## KIRATPUR NER CHOWK EXPRESSWAY LIMITED

## Movement in Shareholding Pattern for the year ended March 31, 2018

Date of Purchase/sale /new Issue/buy back etc.	No. of Equity Shares	Transaction price	Details of Purchaser/Investor / Seller	Net Asset Value calculation as on date of the transaction

For Kiratpur Ner Chowk Expressway Ltd.



Chief Financial Officer

Place: Mumbai  
Date: April 27, 2018

For Gianender &amp; Associates

Chartered Accountants

Firm Registration no. 004661N



G. K. Agarwal  
Partner  
Membership Number : 081803Place: Mumbai  
Date: April 27, 2018

**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
**Audit for the year ended March 31, 2018**

**(Part 1) - Provision for Overlay**

Provision for overlay in respect of toll roads maintained by the Group under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facility to a specified level of serviceability in respect of such asset. Estimate of the provision is measured using a number of factors, such as current contractual requirements, technology, expert opinions and expected price levels. Because actual cash flows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provision is reviewed at regular intervals and adjusted to take account of such changes.

Accordingly, provision for overlay in respect of such service concession agreements are based on above assumptions.

Movements in provision made for overlay made in respect of Intangible Assets under SCA are tabulated below:



Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-Current	Current	Non-Current	Current
Opening balance as on	-	-	-	-
Provision made during the year				
Provision utilised				
Adjustment for Foreign exchange fluctuation during the year				
Adjustment for reclassification during the year				
Closing balance as on	-	-	-	-

In terms of our clearance memorandum attached

**For Gianender & Associates**

Chartered Accountants

Firm Registration no. 00466119

**G. K. Agarwal**

Partner

Membership Number : 081603

Place: Mumbai

Date: April 27, 2018

**For Kiratpur Ner Chowk Expressway Ltd.**



**Chief Financial Officer**

Place: Mumbai

Date: April 27, 2018

KIRATPUR NER CHOWK EXPRESSWAY LIMITED  
Audit for the year ended March 31, 2018

## (Part 2) - Estimates Used (Intangible Assets)

As per the accounting policy followed by the Group :-

Under Service Concession Arrangement (SCA), where a Special Purpose Vehicle (SPV) has received the right to charge users of a public service, such rights are recognized and classified as "Intangible Assets". Such a right is an unconditional right to receive consideration however the amounts are contingent to the extent that the public uses the service.

The book value of such an Intangible Asset is recognized by the SPV at the fair value of the constructed asset which comprises of the actual construction cost plus the margins as per the SCA.

The Intangible Asset is amortised on the basis of units of usage method over the lower of the remaining concession period or useful life of such intangible asset, in terms of each SCA.

Estimates of margins are based on internal evaluation by the management. Estimates of units of usage, toll rates, contractual liability for overlay expenditure and the timing of the same are based on technical evaluations and / or traffic study estimates by external agencies.

These factors are consistent with the assumptions made in the previous years.

The key elements have been tabulated below:

	Upto March 31, 2018
Margin on construction services recognised in respect of intangible assets (₹)	2,45,91,96,213
Amortisation charge in respect of intangible assets (₹)	-
Units of usage (No. of vehicles) (over the entire life of concession period)	-
Total Estimated Revenue for project (over the entire life of concession period)	-
	As at March 31, 2018
Carrying amounts of intangible assets (₹)	-
Carrying amounts of intangible assets under development (₹)	25,09,93,90,351
Provision for overlay in respect of intangible assets (₹)	-
	For the year ended March 31, 2018
Amortisation charge in respect of intangible assets (₹)	-

Particulars	Amount ₹
Total estimated cost till the end of the construction period	
Total estimated margin till the end of the construction period	

Particulars	Amount ₹
Opening Margins till March 31, 2017	2,02,26,25,207
During the period under audit	
Construction Revenue	4,23,33,67,347
Construction Cost	3,79,67,96,341
Margin	43,65,71,006
Margins Recognised till the balance sheet date upto March 31, 2018	2,45,91,96,213

Margin Percentage Applied on Construction Cost to recognise Construction Revenue	11.56%
--	--------

In terms of our clearance memorandum attached  
For Gianender & Associates  
Chartered Accountants  
Firm Registration no. 004661/N

G. K. Agarwal  
Partner  
Membership Number : 081603



For Kiratpur Ner Chowk Expressway Ltd.

*Ganesh*  
Chief Financial Officer

Place: Mumbai  
Date: April 27, 2018

Place: Mumbai  
Date: April 27, 2018

KIRATPUR NER CHOWK EXPRESSWAY LIMITED  
Audit for the year ended March 31, 2018

## (Part 3) - Estimates Used (Financial Assets)

As per the accounting policy followed by the Group:-

Under a Service Concession Arrangement (SCA), where a Special Purpose Vehicle (SPV) has acquired contractual rights to receive specified determinable amounts (Annuity) for use of an asset, such amounts are recognised as "Financial Assets" and are disclosed as "Receivable against Service Concession Arrangements"

The value of a Financial Asset covered under a SCA includes the fair value estimate of the construction services which is estimated at the inception of the contract and is based on the fair value of the constructed asset and comprises of the actual construction cost, a margin as per the SCA, estimates of the future operating and maintenance costs, including overlay / renewal costs

The cash flows from a Financial Asset commences from the Provisional / Final Commercial Operation Date as certified by the granting authority for the SCA.

The cash flow from a Financial Asset is accounted using the effective interest rate method. The intrinsic interest element in each Annuity receipt is accounted as finance income and the balance amount is accounted towards recovery of dues from the "Receivable against Service Concession Arrangements"

These factors are consistent with the assumptions made in the previous years.

The key elements have been tabulated below:

	Upto / as at March 31, 2018 (Rupees)
Margin on construction and operation and maintenance and renewal services recognised in respect of Financial Assets	-
Carrying amounts of Financial Assets included under Receivables against Service Concession Arrangements	-
Revenue recognised on Financial Assets on the basis of effective interest method	-

Particulars	Amount ₹
Total estimated cost till the end of the construction period	
Total estimated margin till the end of the construction period	

Particulars	Amount ₹
March 31, 2017	-
Opening Margins as per last year notes	-
Construction Revenue	-
Construction Cost	-
O & M Revenue	-
O & M Cost	-
Periodic Maintenance Revenue	-
Periodic Maintenance Cost	-
Margin	-
Margins Recognised till the balance sheet date	-

Receivable on SCA as at March 31, 2018	-
--	---

Margin Percentage Applied on Construction Cost to recognise Construction Revenue	%
--	---

Financial Income	Amount ₹
Revenue recognised on Financial Assets on the basis of effective interest method	
Upto March 31, 2015	
March 31, 2017	
March 31, 2018	
Total	-

## Financial Assets Reco:

Particulars	Current	Non-Current
Opening Receivables under Service Concession Arrangements		
Add - Additions during the year		
Less - Receipt of Annuity		
Closing Receivables Balance as per Balance Sheet	-	-

In terms of our clearance memorandum attached  
For Gianender & Associates  
Chartered Accountants  
Firm Registration no. 004661N

G. K. Agarwal  
Partner  
Membership Number : 081603

Place Mumbai  
Date April 27, 2018



For Kiratpur Ner Chowk Expressway Ltd.

*Ganesh*  
Chief Financial Officer

Place: Mumbai  
Date: April 27, 2018

**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
**Audit for the year ended March 31, 2018**

**(Part 4) - Other Information**

<b>Significant terms of Service Concession Arrangements (SCA) are provided below.</b>	
<b>Particulars</b>	<b>Project</b>
Nature of Assets	Intangible Asset
Year when SCA granted	2012
Period	28 years
Extension of period	No / At the discretion of grantor / __ years at a time
Construction	Under Construction
Premature Termination	Force Majure or on event of default by either party
Special Term	NIL
Brief description of Concession	Kiratpur Ner Chowk Expressway Limited ("KNEL") a Special Purpose Vehicle ("SPV") promoted by IL&FS Transportation Networks Limited (ITNL), has been awarded the project involving development and operation involving 4-lanning of the Kiratpur - Ner - Chowk section of NH-21, under a desing, build, finance, operate & transfer ("DBFOT") basis (the "Project") was signed on March 16, 2012 and the concession period of the Project is 28years from the appointed date. The aggregate cost of the Project estimated at Rs.2,291/-cr, which is proposed to be financed in a debt: equity ration 64:36 comprising senior debt of Rs.1,474.86cr, Sponsors, contribution of Rs.681.57cr and grant of Rs.134.57cr From NHAI.

In terms of our clearance memorandum attached

**For Gianender & Associates**

Chartered Accountants

Firm Registration no. 004661N



**G. K. Agarwal**  
Partner

Membership Number : 081603



Place: Mumbai

Date: April 27, 2018

**For Kiratpur Ner Chowk Expressway Ltd.**



**Chief Financial Officer**

Place: Mumbai

Date: April 27, 2018

KIRATPUR NER CHOWK EXPRESSWAY LIMITED  
Audit for the year ended March 31, 2018

List of Related Parties and transactions / balances with them not included in Related Party Disclosures in Notes to Accounts.

**Part 1**

**1. Name of the related parties and description of relationship:**

Nature of Relationship with "IL&FS"	Name of Entity	Acronym used
Holding Company :	NIL	
Fellow Subsidiaries		
Associates :		
Co - Venture :		
Key Management personnel :		

**2. Details of balances and transactions during the period with related parties**

Account head	Name of Entity	31-Mar-18	31-Mar-17
Balances:			
	NIL		
Account head	Name of Entity	31-Mar-18	31-Mar-17
Transactions:			
	NIL		

**3. Managerial Remuneration to Key Management Personnel (KMP) for Related Party Disclosure:**

Name	Remuneration	Director's Sitting Fees	Rent	Interest payment	Others (Specify, if any) (See Note below)	Total
Mr Ravi Parthasarathy						-
Mr Hari Sankaran						-
Mr Arun K Saha						-
Mr Vibhav Kapoor						-
Mr Manu Kochhar						-
Mr Ramesh C Bawa						-
Mr K Ramchand			NIL			-
Mr Shahzaad Dalal						-
Ms Vishpala Parthasarathy						-
Ms Sulagna Saha						-
Ms Nafisa Dalal						-
Mr Faizaan Dalal						-

Note: Please add respective columns for the outstanding balances with the above KMPs also in addition to Profit & Loss transactions

**Part 2**

**1. Name of the related parties and description of relationship:**

Nature of Relationship with "ITNL"	Name of Entity	Acronym used
Holding Company :	NIL	
Fellow Subsidiaries		
Associates :		
Co - Venture :		
Key Management personnel :		

**2. Details of balances and transactions during the period with related parties**

Account head	Name of Entity	31-Mar-18	31-Mar-17
Balances:			
	NIL		
Account head	Name of Entity	31-Mar-18	31-Mar-17
Transactions:			
	NIL		

In terms of our clearance memorandum attached  
For Gianender & Associates  
Chartered Accountants  
Firm Registration No. 004661N

G. K. Agarwal  
Partner  
Membership Number 081603

Place Mumbai  
Date April 27, 2018



For Kiratpur Ner Chowk Expressway Ltd.

*Sandhu*  
Chief Financial Officer

Place: Mumbai  
Date: April 27, 2018


**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
**Audit for the year ended March 31, 2018**

**Movement of Investments for Cash flow**

All the movements in Long term Investment needs to be given under following table to identify the cash flow impact

Script	Opening Balance as of 1/4/2017	Purchase Amount	Cost of Sale	Profit / (Loss)	Sale Value	Forex adjustments	Other adjustments	Transfer	Closing Balance as of 31/3/2018	Remarks
									-	
									-	
									-	
									-	
									-	
									-	

In terms of our clearance memorandum attached  
**For Gianender & Associates**  
 Chartered Accountants  
 Firm Registration no: 004661N

  
**G. K. Agarwal**  
 Partner  
 Membership Number : 081603



Place: Mumbai  
 Date: April 27, 2018

**For Kiratpur Ner Chowk Expressway Ltd.**

  
**Chief Financial Officer**

Place: Mumbai  
 Date: April 27, 2018



KIRATPUR NER CHOWK EXPRESSWAY LIMITED  
Audit for the year ended March 31, 2018

**Variance Analysis with Comparatives:**

All the Companies needs to provide reasons / justifications of variances in comparison with previous period

(1) Balance sheet :

Liabilities	March 31, 2018	March 31, 2017	Increase / (Decrease)	Reasons for variance
<b>ASSETS</b>				
<b>Non-current Assets</b>				
(a) Property, plant and equipment	37,043	1,35,617	(98,574)	Depreciation
(b) Capital work-in-progress	-	-	-	
(c) Investment property	-	-	-	
(d) Intangible assets				
(i) Goodwill	-	-	-	
(ii) under SGA	-	-	-	
(iii) others	25,09,93,90,351	21,15,93,75,307	3,94,00,15,045	Construction Cost
(iv) Intangible assets under development	-	-	-	
(e) Financial assets				
(i) Investments				
a) Investments in associates	-	-	-	
b) Investments in joint ventures	-	-	-	
c) Other investments	-	-	-	
(ii) Trade receivables	-	-	-	
(iii) Loans	-	-	-	
(iv) Other financial assets	1,000	2,01,000	(2,00,000)	Shown in Current
(f) Tax assets				
(i) Deferred Tax Asset (net)	-	-	-	
(ii) Current Tax Asset (Net)	1,12,02,215	1,13,94,000	(1,91,785)	
(g) Other non-current assets	37,25,62,352	55,22,10,987	(17,96,48,635)	Recovery of Mob Advance
<b>Total Non-current Assets</b>				
<b>Current Assets</b>				
(a) Inventories	-	-	-	
(b) Financial assets				
(i) Investments	-	-	-	
(ii) Trade receivables	10,74,40,901	9,00,05,452	1,74,35,449	Utility Work done during the year
(iii) Cash and cash equivalents	1,44,70,783	2,78,08,830	(1,33,38,047)	
(iv) Bank balances other than (iii) above	-	-	-	
(v) Loans	-	-	-	
(vi) Other financial assets	2,00,000	-	2,00,000	Reclassify from Non Current
(c) Current tax assets (Net)	-	-	-	
(d) Other current assets	3,35,80,407	5,98,30,229	(2,62,49,822)	Prepaid Exps charged off
Assets classified as held for sale	-	-	-	
<b>Total Current Assets</b>				
<b>Total Assets</b>	<b>25,63,88,85,052</b>	<b>21,90,09,61,422</b>	<b>3,73,79,23,631</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	5,00,81,00,000	5,00,81,00,000	-	
(b) Other Equity	2,24,56,76,244	1,92,45,07,650	32,21,68,594	Construction Margin
Equity attributable to owners of the Company				
Non-controlling Interests	-	-	-	
<b>Total Equity</b>				
<b>LIABILITIES</b>				
<b>Non-current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	13,89,13,59,054	12,95,56,85,031	93,56,74,023	Disbursement during the year
(ii) Trade payables	-	-	-	
(iii) Other financial liabilities	57,02,668	46,66,563	10,36,105	Retention on Utility work during the year
(b) Provisions	-	-	-	
(c) Deferred tax liabilities (Net)	-	-	-	
(d) Other non-current liabilities	-	-	-	
<b>Total Non-current Liabilities</b>				
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	1,23,92,66,926	-	1,23,92,66,926	Loan Taken during the Year
(ii) Trade payables	2,39,54,03,794	1,55,19,93,127	84,34,10,667	
(iii) Current maturities of long term debt	-	-	-	
(iv) Other financial liabilities	53,14,34,121	22,90,09,049	30,24,25,072	Interest accrue but not due
(b) Provisions	28,43,000	97,58,150	(69,15,150)	Based on the estimates
(c) Current tax liabilities (Net)	29,86,00,000	18,23,00,000	11,63,00,000	Provision for Tax
(d) Other current liabilities	1,94,99,245	3,49,41,851	(1,54,42,606)	
Liabilities directly associated with assets classified as held for sale	-	-	-	
<b>Total Current Liabilities</b>				
<b>Total Liabilities</b>				
<b>Total Equity and Liabilities</b>	<b>25,63,88,85,052</b>	<b>21,90,09,61,422</b>	<b>3,73,79,23,631</b>	



## (2) Statement of Profit and Loss:

Statement of Profit and Loss	March 31, 2018	March 31, 2017	Increase / (Decrease)	Reasons for variance
<b>Income</b>				
Revenue from Operations	4,23,33,67,347	7,19,38,98,169	(2,96,05,30,823)	Decrease in Construction Work
Other income	2,40,339	86,136	1,54,203	
<b>Total Income</b>	<b>4,23,36,07,686</b>	<b>7,19,39,84,305</b>	<b>(2,96,03,76,620)</b>	
<b>Expenses</b>				
Cost of Material consumed	3,79,67,96,341	6,45,27,94,855	(2,65,59,98,515)	Decrease in Construction Work
Operating expenses				
Employee benefits expense	1,80,000	5,806	1,74,194	Current year salary is for 12 months whereas only 15 days in last year
Finance costs	-	-	-	
Depreciation and amortisation expense	-	-	-	
Impairment loss on financial assets	-	-	-	
Reversal of impairment on financial assets	-	-	-	
Other expenses	83,95,814	36,60,458	47,35,356	CSR Exps incurred during the year
<b>Total expenses</b>	<b>3,80,53,72,155</b>	<b>6,45,64,61,119</b>	<b>(2,65,10,88,965)</b>	
Add: Share of profit/(loss) of associates				
Add: Share of profit/(loss) of joint ventures				
<b>Profit before exceptional items and tax</b>	<b>42,82,35,531</b>	<b>73,75,23,186</b>	<b>(30,92,87,655)</b>	
Add: Exceptional items				
<b>Profit before tax</b>	<b>42,82,35,531</b>	<b>73,75,23,186</b>	<b>(30,92,87,655)</b>	
Less: Tax expense				
(1) Current tax	11,63,00,000	15,74,00,000	(4,11,00,000)	Based on Profit for the year
(2) Deferred tax				
<b>Profit for the period from continuing operations (I)</b>	<b>31,19,35,531</b>	<b>58,01,23,186</b>	<b>(26,81,87,655)</b>	
<b>Profit from discontinued operations before tax</b>				
Tax expense of discontinued operations				
<b>Profit from discontinued operations (after tax) (II)</b>				
<b>Profit for the period (III=I+II)</b>	<b>31,19,35,531</b>	<b>58,01,23,186</b>	<b>(26,81,87,655)</b>	
<b>Other Comprehensive Income</b>				
A (i) Items that will not be reclassified to profit or loss				
(a) Changes in revaluation surplus				
(b) Remeasurements of the defined benefit plans				
(c) Equity instruments through other comprehensive income				
(d) Others (specify nature)				
(e) Share of other comprehensive income in associates and joint ventures, to the extent not to be reclassified to profit or loss				
A (ii) Income tax relating to items that will not be reclassified to profit or loss				
B (i) Items that may be reclassified to profit or loss				
(a) Exchange differences in translating the financial statements of foreign operations including the gain / loss on related hedging instrument				
(b) Debt instruments through other comprehensive income				
(c) Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge				
(d) Others (specify nature)				
(e) Share of other comprehensive income in associates and joint ventures, to the extent that may be reclassified to profit or loss				
B (ii) Income tax relating to items that may be reclassified to profit or loss				
<b>Total other comprehensive income (IV=A (i-ii)+B(i-ii))</b>				
<b>Total comprehensive income for the period (III+IV)</b>	<b>31,19,35,531</b>	<b>58,01,23,186</b>	<b>(26,81,87,655)</b>	
Profit for the period attributable to:				
- Owners of the Company				
- Non-controlling interests				
Other comprehensive income for the period attributable to:				
- Owners of the Company				
- Non-controlling interests				
Total comprehensive income for the period attributable to:				
- Owners of the Company				
- Non-controlling interests				

In terms of our clearance memorandum attached  
For Gianender & Associates  
Chartered Accountants  
Firm Registration No. 004661N

G. K. Agarwal  
Partner  
Membership Number: 08160

Place: Mumbai  
Date: April 27, 2018



For Kiratpur Ner Chowk Expressway Ltd.

Chief Financial Officer

Place: Mumbai  
Date: April 27, 2018

KIRATPUR NER CHOWK EXPRESSWAY LIMITED  
Audit for the year ended March 31, 2018

Utilisation of fund Investments by Parent Company in Toll / Rail / Checkpost Project Company under construction during year ended March 31, 2018

Project Company	Financial Year of Investment	Instrument	Name of Parent company	Incremental Investment by Parent Company in Project Company (Rs)	Amount used in project / construction activity by Project Company (Rs)	Amount used for general administrative expenses by Project Company (Rs)	Amount lying in FD, cash / bank balance (Rs)	Amount used for any other purposes (Pls define) by Project Company (Rs)	Project Status - Operational / Under construction	Project Commissioning date	Remarks (if any)
Kiratpur Ner Chowk Expressway Ltd.	Upto FY 2014-15	Equity shares	IL&FS Transportation Networks Ltd	3,20,75,00,000	3,20,75,00,000				Under Construction		
		Adv - Invest									
		Pref shares Others (Pls specify)									
	For 2015-16	Equity shares	IL&FS Transportation Networks Ltd	95,20,00,000	95,20,00,000				Under Construction		
		Adv - Invest									
		Pref shares Others (Pls specify)									
	For 2016-17	Equity shares	IL&FS Transportation Networks Ltd	84,86,00,000	84,86,00,000				Under Construction		
		Adv - Invest									
		Pref shares Others (Pls specify)									
	For 2017-18	Equity shares	IL&FS Transportation Networks Ltd.	-	-				Under Construction		
		Adv - Invest									
		Pref shares Others (Pls specify)									
Kiratpur Ner Chowk Expressway Ltd.	As of March 31, 2018	Equity shares	IL&FS Transportation Networks Ltd	5,00,81,00,000	5,00,81,00,000				Under Construction		
		Adv - Invest									
		Pref shares Others (Pls specify)									

In terms of our clearance memorandum attached

For Gianender & Associates

Chartered Accountants

Firm Registration no. 004667N

G. K. Agarwal  
Partner

Membership Number : 081560

Place: Mumbai

Date: April 27, 2018

For Kiratpur Ner Chowk Expressway Ltd.

*[Signature]*

Chief Financial Officer

Place: Mumbai

Date: April 27, 2018



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
**FCTR WORKING FOR CASHFLOW PURPOSE MARCH 2018**

Opening Exchange Rate 8.6586  
 Closing Exchange rate 8.5573  
 Capital Transaction Average Rate 8.6044  
 Average Exchange rate

(In currency of respective Foreign Companies)

	As at March 31, 2017	March 2018 In INR	March 2017 In INR	Difference in INR	Exchange Rate	Amount in INR	Expected March 2018 INR	FCTR Difference	Adjustment for Capital Movement	FCTR / Net	In Cash Flow
<b>ASSET</b>											
<b>Non-current Assets</b>											
(a) Property, plant and equipment					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(b) Investment properties					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(c) Intangible assets					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(i) Goodwill					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(ii) Other intangible assets					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(iii) Other					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(d) Financial assets under development					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(i) Financial assets					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(ii) Investments					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(iii) Investments in associates					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(iv) Investments in joint ventures					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(v) Other investments					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(vi) Loans					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(vii) Other financial assets					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(viii) Tax assets					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(ix) Deferred Tax Asset (Net)					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(x) Current Tax Asset (Net)					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(xi) Other Tax Asset (Net)					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(xii) Other					8.60				#DIV/0!	#DIV/0!	#DIV/0!
<b>Current Assets</b>											
(i) Inventories					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(ii) Financial assets					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(iii) Trade receivables					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(iv) Cash and cash equivalents					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(v) Bank balances other than (iv) above					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(vi) Loans					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(vii) Other financial assets					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(viii) Other tax assets (Net)					8.60				#DIV/0!	#DIV/0!	#DIV/0!
(ix) Other					8.60				#DIV/0!	#DIV/0!	#DIV/0!
<b>Total Assets</b>											



Handwritten mark resembling a stylized '4' or 'A'.

Equity and Liabilities									
<b>Equity</b>									
(i) Equity share capital	8.56								#DIV/0!
(ii) Other Equity (FCTR Balance not to be considered)	8.60								#DIV/0!
Non-voting Interest	8.60								#DIV/0!
<b>LIABILITIES</b>									
<b>Non-current Liabilities</b>									
(i) Financial Liabilities									
(a) Borrowings	8.60								#DIV/0!
(b) Trade payables	8.60								#DIV/0!
(c) Other financial liabilities	8.60								#DIV/0!
(ii) Provisions	8.60								#DIV/0!
(iii) Deferred tax liabilities (Net)	8.60								#DIV/0!
(iv) Other non-current liabilities	8.60								#DIV/0!
<b>Current liabilities</b>	8.60								#DIV/0!
(i) Financial Liabilities	8.60								#DIV/0!
(ii) Borrowings	8.60								#DIV/0!
(iii) Trade payables	8.60								#DIV/0!
(iv) Current liabilities of long term debt	8.60								#DIV/0!
(v) Other Financial liabilities	8.60								#DIV/0!
(vi) Current tax liabilities (Net)	8.60								#DIV/0!
(vii) Current tax liabilities (Net)	8.60								#DIV/0!
(viii) Other current liabilities	8.60								#DIV/0!
Liabilities directly associated with assets classified as held for sale	8.60								#DIV/0!
<b>Total Equity and Liabilities</b>									#DIV/0!

Should Tally with the FCTR Movement PY 2018-17

FCTR Opening Movement Difference

FCTR Closing Movement Difference

For Kiranpur Har Chowk Expressway Ltd

*[Signature]*

Chief Financial Officer

Pleas, Mumbai

Date: April 27, 2018

In terms of our clearance memorandum attached for Gyanender & Associates Chartered Accountants

*[Signature]*

**G K Agarwal**

Partner

Membership Number: 20101002

Pleas, Mumbai

Date: April 27, 2018



1 Capital management

The Group endeavours to maintain sufficient levels of working capital, current assets, and current liabilities which helps the company to meet its expense obligations while also maintaining sufficient cash flow

The capital structure of the Group consists of net debt (borrowings as detailed in notes 18 offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves, retained earnings and non-controlling interests as detailed in notes 15 to 17). The capital structure of the Group is reviewed by the management on a periodic basis.

1.1 Gearing ratio

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

Particulars	As at March 31, 2018	As at March 31, 2017
Debt (i)	15,66,20,60,101	13,18,46,94,080
Cash and bank balances (including cash and bank balances in a disposal company held for sale)	1,44,70,783	2,78,08,830
Net debt	15,64,75,89,318	13,15,68,85,250
Total Equity (ii)	7,25,47,76,244	6,93,26,07,650
Net debt to total equity ratio	2.16	1.90

Footnotes:

(i) Debt is defined as long- and short-term borrowings including interest accrued (excluding derivative), as described in notes 18

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

In order to achieve its overall objective, the Group's risk management committee, amongst other things, aims to ensure that it meets the financial covenants attached to the borrowings. Breaches in meeting the financial covenants would permit the bank to seek action as per terms of the agreement.

2 Categories of financial instruments

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Financial assets</b>		
<u>Fair value through profit and loss (FVTPL)</u>		
Investment in equity instruments	-	-
<u>Derivative instruments designated as cash flow hedge</u>	-	-
<u>At amortised cost</u>		
Investment in equity instruments		
Loans	-	-
Trade receivables	10,74,40,901	9,00,05,452
Cash & cash equivalents; and bank balances (including Balances with Banks in deposit accounts under lien)	1,46,70,783	2,80,08,830
SCA receivable	-	-
Other financial assets (excluding Balances with Banks in deposit accounts under lien)	1,000	1,000
<b>Financial liabilities</b>		
<u>Financial Liabilities</u>		
<u>Derivative instruments designated as cash flow hedge</u>	-	-
<u>At amortised cost</u>		
Borrowings (including interest accrued)	15,66,20,60,101	13,18,46,94,080
Trade payables	2,39,54,03,794	1,55,19,93,127
Other financial liabilities (excluding interest accrued)	57,02,668	46,66,563

In terms of our clearance memorandum attached

For Gianender & Associates

Chartered Accountants

Firm Registration no. 004661

G. K. Agarwal  
Partner  
Membership Number : 08140



For Kiratpur Ner Chowk Expressway Ltd.

Chief Financial Officer

Place: Mumbai  
Date: April 27, 2018

Place: Mumbai  
Date: April 27, 2018

**FINANCIAL INSTRUMENTS**

**3 Financial risk management objectives**

The Company's Corporate Treasury function monitors and manages the financial risks relating to the operations of The Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade in financial instruments including derivative instruments, for speculative purposes. The Corporate Treasury function reports to The Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

**4 Market risk**

The Company does not have activities that exposes it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into cross currency interest rate swaps to mitigate the risk of rising interest rates to manage its exposure to foreign currency risk and interest rate risk. There has been no change to The Company's exposure to market risks or the manner in which these risks are managed and measured.

**5 Foreign currency risk management**

The company undertakes transactions denominated in foreign currencies, consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts and/or cross currency swaps. The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	ITNL and its subsidiaries		Other than ITNL and its subsidiaries		Total	
	Liabilities as at (INR) As at March 31, 2018	Assets as at (INR) As at March 31, 2018	Liabilities as at (INR) As at March 31, 2018	Assets as at (INR) As at March 31, 2018	Liabilities as at (INR) As at March 31, 2017	Assets as at (INR) As at March 31, 2017
USD						
EUR						
GBP						
INR						
USD						
Other currencies						
Bolivarera Pula						
Chernukha Pula						
Ethiopian Birr						
Uruguayan Peso						
Other currencies						



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**Sensitivity** *(Currency sensitivity)* **contracts**

The company is mainly exposed to the US Dollars, Euro, Chinese Yuan and Arab Emirates Dirham.  
The following table details the company's sensitivity to a 10% increase and decrease in the floating rate foreign currencies. 10% sensitivity indicates management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

	USD		EUR		CNY		AED		Add other Currencies	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Profit or loss										
Equity										
	Botswana Pula		Dominican Peso		Ethiopian Birr		Mexican Peso			
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017		
Profit or loss										
Equity										

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

**Sensitivity** *(Interest rate)* **contracts**

Under these swap contracts, the company agrees to exchange the difference between fixed interest payments based on functional currency notional principal amounts and floating rate interest payments calculated on agreed foreign currency notional principal amounts. Also, the company agrees to exchange the difference between the functional currency notional principal amount and the amount calculated based on the spot exchange rate on the date of settlement. Such contracts enable the company to mitigate the risk of changing interest rates and foreign exchange rates on the cash flows of issued foreign currency variable rate debt. The fair value of these swaps at the end of the reporting period is determined by discounting the future cash flows using the foreign currency and interest rate curves at the end of the reporting period and the credit risk inherent in these contracts.  
The company has hedged the hedge effectiveness through critical term reporting (CTR) reporting.  
The ongoing assessment is performed at a quarterly level at the end of the reporting period. The hedge effectiveness requirements, whichever comes first, any change in the critical terms of the hedge item and hedge instrument or the underlying instrument at the end of the reporting period or the change in circumstances affecting the hedge effectiveness requirements, whichever comes first. Any change in the critical terms of the hedge item and hedge instrument or the underlying instrument at the end of the reporting period or the change in circumstances affecting the hedge effectiveness requirements, whichever comes first, any change in the critical terms of the hedge item and hedge instrument or the underlying instrument at the end of the reporting period or the change in circumstances affecting the hedge effectiveness requirements, whichever comes first.  
The risk condition that the hedging instrument and hedged item have values that generally move in the opposite direction because of the same hedged risk. The company's intention is to keep currency risk hedged at the time and will keep rolling forwards or enter in to new swap till maturity of the hedged item.

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

	Foreign currency-CNY		Average exchange rate		Average contracted		Notional principal value		Fair value assets (liabilities)	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Outstanding receive floating pay fixed contracts										
Buy US Dollar										
Less than 1 year										
1 to 3 years										
3 to 5 years										
5 years +										
Total										
Outstanding receive floating pay fixed contracts										
Up to 1 year										
1 to 3 years										
3 to 5 years										
More than 5 years										
Total										

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the 3 months LIBOR. The company will settle the difference between the fixed and floating interest rate on a net basis.  
All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the company's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.





## 6 Interest rate risk management

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

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

### 6.1 Interest rate sensitivity analysis

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

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

i) profit for the Year ended March 31, 2018 would decrease/increase by ₹ 6,10,74,000 (2017: decrease/increase by ₹ 5,78,47,000). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings; and

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

### 6.2 Interest rate swap contracts

Under interest rate swap contracts, the company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the company to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

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

#### Cash flow hedges

Outstanding receive floating pay fixed contracts	Average contracted fixed interest rate		Notional principal value		Fair value assets (liabilities)	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Less than 1 year						
1 to 3 years						
3 to 5 years						
5 years +						
Total						

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate of India. The company will settle the difference between the fixed and floating interest rate on a net basis.

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

## 7 Other price risks

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

## 8 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to The Company. The Management of The Company believes that the credit risk is negligible since its main receivable is from the grantors of the concession which is a government authority. Further, in respect of other receivables, The Company has adopted a policy of only dealing with creditworthy counterparties.

The Company has significant credit exposure to mainly two parties:

- 1 National Highways Authority of India- ₹ 19,74,40,901/- (March 31, 2017 ₹ 9,00,05,452/-)
- 2 State Government Authorities - ₹ NIL (March 31, 2017 ₹ NIL)

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



## 9 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The endeavour of The Company is to constantly improve the ratio of short term to long term maturity profile so as to minimise the risk of having to refinance the borrowing at regular short intervals.

### 9.1 Liquidity and interest risk tables

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

Particulars	ITNL and its subsidiaries					
	March 31, 2018			March 31, 2017		
	Non-interest bearing	Fixed interest rate instruments	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments	
Up to 1 year	2,38,29,28,973	1,23,92,66,926	1,54,08,31,712	-	-	
1-3 years	-	1,38,90,57,060	-	-	1,09,74,44,198	
3-5 years	-	4,39,60,25,718	-	-	4,64,00,51,718	
More than 5 years	-	-	1,54,08,31,712	-	-	
<b>Total</b>	<b>2,38,29,28,973</b>	<b>1,23,92,66,926</b>	<b>1,54,08,31,712</b>	<b>-</b>	<b>5,73,74,95,916</b>	

Particulars	Other Entities					
	March 31, 2018			March 31, 2017		
	Non-interest bearing	Fixed interest rate instruments	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments	
Up to 1 year	1,24,74,821	1,31,55,47,463	1,11,61,415	1,27,63,82,736	-	
1-3 years	-	2,69,68,45,260	-	2,55,78,65,064	-	
3-5 years	-	2,69,45,84,880	-	2,61,24,67,184	-	
More than 5 years	-	29,56,57,85,740	-	19,98,27,60,738	-	
<b>Total</b>	<b>1,24,74,821</b>	<b>30,35,35,63,344</b>	<b>1,11,61,415,00</b>	<b>26,42,94,75,722</b>	<b>-</b>	

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

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

Particulars	ITNL and its subsidiaries					
	March 31, 2018			March 31, 2017		
	Non-interest bearing	Fixed interest rate instruments	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments	
Up to 1 year	-	-	-	-	-	
1-3 years	-	-	-	-	-	
3-5 years	-	-	-	-	-	
More than 5 years	-	-	-	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

Particulars	Other Entities					
	March 31, 2018			March 31, 2017		
	Non-interest bearing	Fixed interest rate instruments	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments	
Up to 1 year	1,44,70,783	2,06,312	2,78,08,830	-	2,24,312	
1-3 years	-	-	-	-	-	
3-5 years	-	-	-	-	-	
More than 5 years	-	-	-	-	-	
<b>Total</b>	<b>1,44,70,783</b>	<b>2,06,312</b>	<b>2,78,08,830</b>	<b>-</b>	<b>2,24,312</b>	

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



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

Particulars	March 31, 2018		March 31, 2017	
	Interest rate swaps	Cross Currency Swaps	Interest rate swaps	Cross Currency Swaps
Up to 1 year:				
1-3 years:				
3-5 years:				
More than 5 years:				

In terms of our clearance memorandum attached  
**For Gianender & Associates**  
 Chartered Accountants  
 Firm Registration no. 004661N



G. K. Agarwal  
 Partner  
 Membership Number: 11021  
 Place: Mumbai  
 Date: April 27, 2018

For Kiratpur Ner Chowk Expressway Ltd.

Chief Financial Officer

Place: Mumbai  
 Date: April 27, 2018

## FINANCIAL INSTRUMENTS

## 10 Fair value measurements

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

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

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

Financial assets/ (financial liabilities)	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	As at March 31, 2018	As at March 31, 2017				
1) Interest rate swaps			Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.	None	None
2) Interest rate cross currency swaps			Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.	None	None
3) Investment in equity shares of			Level 3	Net assets value of the investee company based on its audited financial statements	Net assets of the investee company	Direct



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

	ITNL Group Entities						Other Entities			
	As at March 31, 2018		As at March 31, 2017		As at March 31, 2018		As at March 31, 2017		As at March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>										
Fair value through profit and loss (FVTPL)										
Investment in equity instruments										
Derivative instruments designated as cash flow hedge										
At amortised cost										
Investment in equity instruments										
Loans										
Trade receivables			10,74,40,901	10,74,40,901					9,00,05,452	9,00,05,452
Cash & cash equivalents; and bank balances										
SCA receivable										
Other financial assets					1,000	1,000	1,000	1,000		1,000
<b>Financial liabilities</b>										
Derivative instruments designated as cash flow hedge										
At amortised cost										
Borrowings	3,44,99,14,515	3,44,99,14,515	1,61,78,91,164	1,61,78,91,164	12,21,21,45,586	12,21,48,13,501	11,56,68,02,916	11,56,96,77,916		
Trade payables	2,38,29,28,973	2,38,29,28,973	1,54,08,31,712	1,54,08,31,712	1,24,74,821	1,24,74,821,00	1,11,61,415	1,11,61,415		
Other financial liabilities					57,02,668	57,02,668	46,66,563	46,66,563		



Fair value hierarchy	As at March 31, 2018			As at March 31, 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>						
<u>Fair value through profit and loss (FVTPL)</u>						
Investment in equity instruments						9,00,05,452
Derivative instruments designated as cash flow hedge						2,80,08,830
<b>Financial Assets measured at amortised cost</b>						
Investment in equity instruments						1,000
Loans			10,74,40,901			
Trade receivables			1,46,70,783			
Cash & cash equivalents; and bank balances						
SCA receivable						
Other financial assets			1,000			
<b>Financial liabilities</b>						
<u>Derivative instruments designated as cash flow hedge</u>						
At amortised cost						
Borrowings			15,66,47,28,016			13,18,75,69,080
Trade payables			2,39,54,03,794			1,55,19,93,127
Other financial liabilities			57,02,668			46,66,563

The fair values of the financial assets and financial liabilities above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

In terms of our clearance memorandum attached  
For Gianender & Associates  
Chartered Accountants  
Firm Registration no. 004661N



G. K. Agarwal  
Partner  
Membership Number

Place: Mumbai  
Date: April 27, 2018

For Kiratpur Ner Chowk Expressway Ltd.

Chief Financial Officer

Place: Mumbai  
Date: April 27, 2018

11. Borrowing Ageing  
11.1 For year ended 31st March 2018

Annexure -11

Type of Borrowing	Terms of Loans	Range for rate of interest	ITNL and its subsidiaries			IL&FS Group Companies			Other than IL&FS Companies	Total	Frequency of Repayment Monthly / Quarterly / Half Yearly / Yearly / On maturity	
			Parent (i.e. ITNL)	Subsidiaries	Jointly Controlled Entities	Parent (i.e. IL&FS)	Subsidiaries	Jointly Controlled Entities				
<b>Secured :</b>												
Debentures	1-3 years	<= 7.00 %										
		7.01% to 9.00%										
		9.01% to 11.00%										
		11.01% to 14.00%										
		More than 14%										
	3-5 years	Zero Coupon										
		LIBOR + 10 bps										
		Others (Specify)										
		<= 7.00 %										
		7.01% to 9.00%										
	+ 5 years	9.01% to 11.00%										
		11.01% to 14.00%										
		More than 14%										
		Zero Coupon										
		LIBOR + 10 bps										
Sub Debts / Bonds	1-3 years	Others (Specify)										
		<= 7.00 %										
		7.01% to 9.00%										
		9.01% to 11.00%										
		11.01% to 14.00%										
	3-5 years	More than 14%										
		LIBOR + 10 bps										
		Others (Specify)										
		<= 7.00 %										
		7.01% to 9.00%										
	+ 5 years	9.01% to 11.00%										
		11.01% to 14.00%										
		More than 14%										
		LIBOR + 10 bps										
		Others (Specify)										
Term Loans	1-3 years	<= 7.00 %										
		7.01% to 9.00%							1,17,98,880	1,17,98,880		
		9.01% to 11.00%										
		11.01% to 14.00%										
		More than 14%										
	3-5 years	LIBOR + 10 bps										
		Others (Specify)										
		<= 7.00 %								20,64,80,400	20,64,80,400	
		7.01% to 9.00%										
		9.01% to 11.00%										
	+ 5 years	11.01% to 14.00%										
		More than 14%										
		LIBOR + 10 bps										
		Others (Specify)										
		<= 7.00 %								11,99,65,20,720	11,99,65,20,720	
	7.01% to 9.00%											
	9.01% to 11.00%											
	11.01% to 14.00%											
	More than 14%											
	LIBOR + 10 bps											
	Others (Specify)											



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Type of Borrowing	Terms of Loans	Range for rate of interest	ITNL and its subsidiaries			IL&S Group Companies			Other than IL&S Companies	Total	Frequency of Repayment Monthly / Quarterly / Half Yearly / Yearly / On maturity
			Parent (i.e. ITNL)	Subsidiaries	Jointly Controlled Entities	Parent (i.e. IL&S)	Subsidiaries	Jointly Controlled Entities			
Foreign Currency Loan	1-3 years	Eur + 3.25%									
		Euribor + 3.20%									
		LIBOR + 10 bps									
		LIBOR + 60 bps									
	3-5 years	LIBOR+ 400 bps									
		3 M USD LIBOR + 540 bps									
		2MM: 6.628%									
		718K: 6.969%									
	5 years	AED 6%									
		Others (Specify)									
		Eur + 3.25%									
		Euribor + 3.20%									
Others (Specify)	LIBOR + 10 bps										
	LIBOR + 60 bps										
	LIBOR+ 400 bps										
	3 M USD LIBOR + 540 bps										
Total	2MM: 6.628%										
	718K: 6.969%										
	AED 6%										
	Others (Specify)										
Subordinated Debt	1-3 years	< = 7.00 %									
		7.01% to 9.00%									
		9.01% to 11.00%									
		11.01% to 14.00%									
	3-5 years	More than 14%									
		Others (Specify)									
		< = 7.00 %									
		7.01% to 9.00%									
	5 years	9.01% to 11.00%									
		11.01% to 14.00%									
		More than 14%	1,80,76,00,000						1,80,76,00,000		
		Others (Specify)									
Debentures	1-3 years	< = 7.00 %									
		7.01% to 9.00%									
		9.01% to 11.00%									
		11.01% to 14.00%									
	3-5 years	More than 14%									
		Zero Coupon									
		LIBOR + 10 bps									
		Others (Specify)									
	5 years	< = 7.00 %									
		7.01% to 9.00%									
		9.01% to 11.00%									
		11.01% to 14.00%									
Others (Specify)	More than 14%										
	Zero Coupon										
	LIBOR + 10 bps										
	Others (Specify)										

A





Type of Borrowing	Terms of Loans	Range for rate of interest	ITNL and its subsidiaries			IL&FS Group Companies			Other than IL&FS Companies	Total	Frequency of Repayment Monthly / Quarterly / Half Yearly / Yearly / On maturity
			Parent (i.e. ITNL)	Subsidiaries	Jointly Controlled Entities	Parent (i.e. IL&FS)	Subsidiaries	Jointly Controlled Entities			
Bonds	1-3 years	<= 7.00%									
		7.01% to 9.00%									
		9.01% to 11.00%									
	3-5 years	11.01% to 14.00%									
		More than 14%									
		Zero Coupon									
	+ 5 years	LIBOR + 10 bps									
		Others (Specify)									
		<= 7.00%									
Term Loans	1-3 years	7.01% to 9.00%									
		9.01% to 11.00%									
		11.01% to 14.00%									
	3-5 years	More than 14%									
		Zero Coupon									
		LIBOR + 10 bps									
	+ 5 years	Others (Specify)									
		<= 7.00%									
		7.01% to 9.00%									
Foreign Currency Loan	1-3 years	9.01% to 11.00%									
		11.01% to 14.00%									
		More than 14%									
	3-5 years	LIBOR + 10 bps									
		Others (Specify)									
		<= 7.00%									
	+ 5 years	7.01% to 9.00%									
		9.01% to 11.00%									
		11.01% to 14.00%									
Inter Corporate Deposits	1-3 years	More than 14%									
		LIBOR + 10 bps									
		Others (Specify)									
	3-5 years	EURibor + 3.5%									
		Fixed 6.40%									
		EURIBOR + 137 bps									
	+ 5 years	EUR 1 + 3.5%									
		Fixed (4.092%) Variable EUR 1 + 3.5%									
		1st Yr 4.95% rest EUR +4.50%									
Commercial Papers	1-3 years	0 to 24 month 3% / Eur 1Y + 3%									
		EUR + 2.5%									
		Fixed 3.15%									
	3-5 years	Eur 1A+ 2.84%									
		Fixed 75 bps									
		EURibor + 3.2%									
	+ 5 years	ICAPEURO + 1.30%									
		Others (Specify)									
		EURibor + 3.5%									
Finance Lease	1-3 years	Fixed 6.40%									
		EURIBOR + 137 bps									
		EUR 1 + 3.5%									
	3-5 years	Fixed (4.092%) Variable EUR 1 + 3.5%									
		1st Yr 4.95% rest EUR +4.50%									
		0 to 24 month 3% / Eur 1Y + 3%									
	+ 5 years	EUR + 2.5%									
		Fixed 3.15%									
		Eur 1A+ 2.84%									
Other Finance Lease	1-3 years	Fixed 75 bps									
		EURibor + 3.2%									
		ICAPEURO + 1.30%									
+ 5 years	Others (Specify)										
	EURibor + 3.5%										
	Fixed 6.40%										

4



Type of Borrowing	Terms of Loans	Range for rate of interest	ITNL and its subsidiaries			IL&FS Group Companies			Other than IL&FS Companies	Total	Frequency of Repayment
			Parent (i.e. ITNL)	Subsidiaries	Jointly Controlled Entities	Parent (i.e. IL&FS)	Subsidiaries	Jointly Controlled Entities			Monthly / Quarterly / Half Yearly / Yearly / On maturity
	> 5 years										
	1-3 years										
Others (Specify)	3-5 years										
	> 5 years										
Total											

In terms of our clearance memorandum attached  
 For Gianender & Associates  
 Chartered Accountants  
 Firm Registration no. 004661N

G. K. Agarwal  
 Partner  
 Membership Number : 087603

Place: Mumbai  
 Date: April 27, 2018



For Klratpur Ner Chowk Expressway Ltd

*(Signature)*  
 Chief Financial Officer

Place: Mumbai  
 Date: April 27, 2018

11. Borrowing Ageing  
11.2 For year ended 31st March 2017

Annexure -11

Type of Borrowing	Terms of Loans	Range for rate of interest	ITNL and its subsidiaries			IL&FS Group Companies			Other than IL&FS Companies	Total	Frequency of Repayment	
			Parent (i.e. ITNL)	Subsidiaries	Jointly Controlled Entities	Parent (i.e. IL&FS)	Subsidiaries	Jointly Controlled Entities			Monthly / Quarterly / Half Yearly / Yearly / On maturity	
<b>Secured :</b>												
Debentures	1-3 years	< = 7.00 %										
		7.01% to 9.00%										
		9.01% to 11.00%										
		11.01% to 14.00%										
		More than 14%										
		Zero Coupon LIBOR + 10 bps Others (Specify)										
	3-5 years	< = 7.00 %										
		7.01% to 9.00%										
		9.01% to 11.00%										
		11.01% to 14.00%										
		More than 14%										
		Zero Coupon LIBOR + 10 bps Others (Specify)										
	> 5 years	< = 7.00 %										
		7.01% to 9.00%										
		9.01% to 11.00%										
		11.01% to 14.00%										
		More than 14%										
		Zero Coupon LIBOR + 10 bps Others (Specify)										



Type of Borrowing	Terms of Loans	Range for rate of interest	ITNL and its subsidiaries			IL&FS Group Companies			Other than IL&FS Companies	Total	Frequency of Repayment
			Parent (i.e. ITNL)	Subsidiaries	Jointly Controlled Entities	Parent (i.e. IL&FS)	Subsidiaries	Jointly Controlled Entities			Monthly / Quarterly / Half Yearly / Yearly / On maturity
Sub Debts / Bonds	1-3 years	< = 7.00 %									
		7.01% to 9.00%									
		9.01% to 11.00%									
		11.01% to 14.00%									
		More than 14%									
		LIBOR + 10 bps Others (Specify)									
	3-5 years	< = 7.00 %									
		7.01% to 9.00%									
		9.01% to 11.00%									
		11.01% to 14.00%									
		More than 14%									
		LIBOR + 10 bps Others (Specify)									
	> 5 years	< = 7.00 %									
		7.01% to 9.00%									
		9.01% to 11.00%									
		11.01% to 14.00%									
		More than 14%									
		LIBOR + 10 bps Others (Specify)									

9



Type of Borrowing	Terms of Loans	Range for rate of interest	ITNL and its subsidiaries			IL&FS Group Companies			Other than IL&FS Companies	Total	Frequency of Repayment
			Parent (i.e. ITNL)	Subsidiaries	Jointly Controlled Entities	Parent (i.e. IL&FS)	Subsidiaries	Jointly Controlled Entities			Monthly / Quarterly / Half Yearly / Yearly / On maturity
Term Loans	1-3 years	< = 7.00 %									
		7.01% to 9.00%									
		9.01% to 11.00%							58,99,440	58,99,440	
		11.01% to 14.00%									
		More than 14%									
		LIBOR + 10 bps Others (Specify)									
	3-5 years	< = 7.00 %									
		7.01% to 9.00%									
		9.01% to 11.00%									
		11.01% to 14.00%							6,48,93,840	6,48,93,840	
		More than 14%									
		LIBOR + 10 bps Others (Specify)									
	> 5 years	< = 7.00 %									
		7.01% to 9.00%									
		9.01% to 11.00%									
		11.01% to 14.00%							11,49,86,06,720	11,49,86,06,720	
		More than 14%									
		LIBOR + 10 bps Others (Specify)									

9



Type of Borrowing	Terms of Loans	Range for rate of interest	ITNL and its subsidiaries			IL&FS Group Companies			Other than IL&FS Companies	Total	Frequency of Repayment
			Parent (i.e. ITNL)	Subsidiaries	Jointly Controlled Entities	Parent (i.e. IL&FS)	Subsidiaries	Jointly Controlled Entities			Monthly / Quarterly / Half Yearly / Yearly / On maturity
Foreign Currency Loan	1-3 years	Eur + 3.25%									
		Euribor + 3.20%									
		LIBOR + 10 bps									
		LIBOR + 60 bps									
		LIBOR+ 400 bps									
		3 M USD LIBOR + 540 bps									
		2MM: 6.628%									
		718K: 6.969%									
		AED 6%									
		Others (Specify)									
		3-5 years	Eur + 3.25%								
	Euribor + 3.20%										
	LIBOR + 10 bps										
	LIBOR + 60 bps										
	LIBOR+ 400 bps										
	3 M USD LIBOR + 540 bps										
	2MM: 6.628%										
	718K: 6.969%										
	AED 6%										
	Others (Specify)										
	5 years		Eur + 3.25%								
		Euribor + 3.20%									
		LIBOR + 10 bps									
		LIBOR + 60 bps									
		LIBOR+ 400 bps									
		3 M USD LIBOR + 540 bps									
		2MM: 6.628%									
718K: 6.969%											
AED 6%											
Others (Specify)											
Others (Specify)		1-3 years									
	3-5 years										
	5 years										
<b>Total</b>											

Ar



Type of Borrowing	Terms of Loans	Range for rate of interest	ITNL and its subsidiaries			IL&FS Group Companies			Other than IL&FS Companies	Total	Frequency of Repayment
			Parent (i.e. ITNL)	Subsidiaries	Jointly Controlled Entities	Parent (i.e. IL&FS)	Subsidiaries	Jointly Controlled Entities			Monthly / Quarterly / Half Yearly / Yearly / On maturity
<b>Unsecured :</b>											
Subordinated Debt	1-3 years	< = 7.00 %									
		7.01% to 9.00%									
		9.01% to 11.00%									
		11.01% to 14.00%									
		More than 14%									
		Others (Specify)									
	3-5 years	< = 7.00 %									
		7.01% to 9.00%									
		9.01% to 11.00%									
		11.01% to 14.00%									
		More than 14%									
		Others (Specify)									
	> 5 years	< = 7.00 %									
		7.01% to 9.00%									
		9.01% to 11.00%									
		11.01% to 14.00%	1,50,73,00,000							1,50,73,00,000	
		More than 14%									
		Others (Specify)									

A



Type of Borrowing	Terms of Loans	Range for rate of interest	ITNL and its subsidiaries			IL&FS Group Companies			Other than IL&FS Companies	Total	Frequency of Repayment
			Parent (i.e. ITNL)	Subsidiaries	Jointly Controlled Entities	Parent (i.e. IL&FS)	Subsidiaries	Jointly Controlled Entities			Monthly / Quarterly / Half Yearly / Yearly / On maturity
Debentures	1-3 years	< = 7.00 %									
		7.01% to 9.00%									
		9.01% to 11.00%									
		11.01% to 14.00%									
		More than 14%									
		Zero Coupon LIBOR + 10 bps Others (Specify)									
	3-5 years	< = 7.00 %									
		7.01% to 9.00%									
		9.01% to 11.00%									
		11.01% to 14.00%									
		More than 14%									
		Zero Coupon LIBOR + 10 bps Others (Specify)									
	> 5 years	< = 7.00 %									
		7.01% to 9.00%									
		9.01% to 11.00%									
		11.01% to 14.00%									
		More than 14%									
		Zero Coupon LIBOR + 10 bps Others (Specify)									

4





Type of Borrowing	Terms of Loans	Range for rate of interest	ITNL and its subsidiaries			IL&FS Group Companies			Other than IL&FS Companies	Total	Frequency of Repayment
			Parent (i.e. ITNL)	Subsidiaries	Jointly Controlled Entities	Parent (i.e. IL&FS)	Subsidiaries	Jointly Controlled Entities			Monthly / Quarterly / Half Yearly / Yearly / On maturity
Bonds	1-3 years	<= 7.00 %									
		7.01% to 9.00%									
		9.01% to 11.00%									
		11.01% to 14.00%									
		More than 14%									
		Zero Coupon									
		LIBOR + 10 bps Others (Specify)									
	3-5 years	<= 7.00 %									
		7.01% to 9.00%									
		9.01% to 11.00%									
		11.01% to 14.00%									
		More than 14%									
		Zero Coupon									
		LIBOR + 10 bps Others (Specify)									
	> 5 years	<= 7.00 %									
		7.01% to 9.00%									
		9.01% to 11.00%									
		11.01% to 14.00%									
		More than 14%									
		Zero Coupon									
		LIBOR + 10 bps Others (Specify)									

4



Type of Borrowing	Terms of Loans	Range for rate of interest	ITNL and its subsidiaries			IL&FS Group Companies			Other than IL&FS Companies	Total	Frequency of Repayment
			Parent (i.e. ITNL)	Subsidiaries	Jointly Controlled Entities	Parent (i.e. IL&FS)	Subsidiaries	Jointly Controlled Entities			Monthly / Quarterly / Half Yearly / Yearly / On maturity
Term Loans	1-3 years	< = 7.00 %									
		7.01% to 9.00%									
		9.01% to 11.00%									
		11.01% to 14.00%									
		More than 14%									
		LIBOR + 10 bps									
		Others (Specify)									
	3-5 years	< = 7.00 %									
		7.01% to 9.00%									
		9.01% to 11.00%									
		11.01% to 14.00%									
		More than 14%									
		LIBOR + 10 bps									
		Others (Specify)									
	> 5 years	< = 7.00 %									
		7.01% to 9.00%									
		9.01% to 11.00%									
		11.01% to 14.00%									
		More than 14%									
		LIBOR + 10 bps									
		Others (Specify)									



Type of Borrowing	Terms of Loans	Range for rate of interest	ITNL and its subsidiaries			IL&FS Group Companies			Other than IL&FS Companies	Total	Frequency of Repayment
			Parent (i.e. ITNL)	Subsidiaries	Jointly Controlled Entities	Parent (i.e. IL&FS)	Subsidiaries	Jointly Controlled Entities			Monthly / Quarterly / Half Yearly / Yearly / On maturity
Foreign Currency Loan	1-3 years	Euribor +3.5%									
		Fixed 6.40%									
		EURIBOR + 137 bps									
		EUR 1 + 3.5%									
		Fixed (4.092%)									
		Variable EUR 1 + 3.5%									
		1st Yr 4.95%, rest EUR +4.50%									
		0 to 24 month 3% / Eur 1Y + 3%									
		EUR + 2.5%									
		Fixed 3.15%									
		Eur 1A+ 2.84%									
		Fixed 75 bps									
	Euribor + 3.2%										
	ICAPEUR 0 + 1.30%										
	Others (Specify)										
	3-5 years	Euribor +3.5%									
		Fixed 6.40%									
		EURIBOR + 137 bps									
		EUR 1 + 3.5%									
		Fixed (4.092%)									
		Variable EUR 1 + 3.5%									
		1st Yr 4.95%, rest EUR +4.50%									
		0 to 24 month 3% / Eur 1Y + 3%									
		EUR + 2.5%									
Fixed 3.15%											
Eur 1A+ 2.84%											
Fixed 75 bps											
Euribor + 3.2%											
ICAPEUR 0 + 1.30%											
Others (Specify)											


At



Type of Borrowing	Terms of Loans	Range for rate of interest	ITNL and its subsidiaries			IL&FS Group Companies			Other than IL&FS Companies	Total	Frequency of Repayment
			Parent (i.e. ITNL)	Subsidiaries	Jointly Controlled Entities	Parent (i.e. IL&FS)	Subsidiaries	Jointly Controlled Entities			Monthly / Quarterly / Half Yearly / Yearly / On maturity
		Euribor +3.5%									
		Fixed 6.40%									
		EURIBOR + 137 bps									
		EUR 1 + 3.5%									
		Fixed (4.092%)									
		Variable EUR 1 + 3.5%									
		1st Yr 4.95%, rest EUR +4.50%									
	> 5 years	0 to 24 month 3% / Eur 1Y + 3%									
		EUR + 2.5%									
		Fixed 3.15%									
		Eur 1A+ 2.84%									
		Fixed 75 bps									
		Euribor + 3.2%									
		ICAPEUR 0 + 1.30%									
		Others (Specify)									
Inter Corporate Deposits											
Commercial Papers											
Finance Lease Obligations	1-3 years										
	3-5 years										
	> 5 years										
Others (Specify)	1-3 years										
	3-5 years										
	> 5 years										
<b>Total</b>											

In terms of our clearance memorandum attached  
For Gianender & Associates  
Chartered Accountants  
Firm Registration no 004661

For Kiratpur Ner Chowk Expressway Ltd.

  
G. K. Agarwal  
Partner  
Membership Number - 08100



  
Chief Financial Officer

Place: Mumbai  
Date: April 27, 2018

Place: Mumbai  
Date: April 27, 2018

12. Disclosure of Derivative Instruments :  
 ing are the details of outstanding Derivative Contracts

Annexure -11

Fair value hedge

Particulars	March 31, 2018			March 31, 2017		
	Contracts (Nos.)	Notional Amount of contracts	Fair Value	Contracts (Nos.)	Notional Amount of contracts	Fair Value
For e.g. Interest Rate Swaps						

Cash flow hedge

Particulars	March 31, 2018			March 31, 2017		
	Contracts (Nos.)	Notional Amount of contracts	Fair Value	Contracts (Nos.)	Notional Amount of contracts	Fair Value
USD*						
Swaps						
Forward Contract						
EURO*						
Swaps						
Forward Contract						
Coupon Swaps						

\* Currency wise Information needs to be provided.

Other than Fair value hedge

Particulars	March 31, 2018			March 31, 2017		
	Contracts (Nos.)	Notional Amount of contracts	Fair Value	Contracts (Nos.)	Notional Amount of contracts	Fair Value
For e.g. Interest Rate Swaps						

Cash Flow Hedges for the year ended March 31, 2018 is as follows

Particulars	Amount
Opening balance	
Gain / (Loss) recognized during the year	
Amount transferred to statement of profit and loss account under finance charges	
Transfer to Minority	
Closing balance	

(iii) The carrying amounts of foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows :

I Assets	Foreign Currency	Current Year			Previous Year		
		Exchange Rate	Amount in Foreign Currency	Amount in Rs	Exchange Rate	Amount in Foreign Currency	Amount in Rs
Receivables (trade and other)							
Other Monetary assets (e.g. ICDs/Loans given in FC)							
<b>Total Receivables (A)</b>							
Hedges by derivative and forward contracts (B)							
Unhedged receivables (C=A-B)							

II Liabilities	Foreign Currency	Current Year			Previous Year		
		Exchange Rate	Amount in Foreign Currency	Amount in Rs	Exchange Rate	Amount in Foreign Currency	Amount in Rs
payables (trade and other)							
Borrowings (e.g. ECB and others)							
<b>Total Payables (D)</b>							
Hedges by derivative and forward contracts (E)							
Unhedged Payables (F=D-E)							

*(Handwritten signature)*



₹ in million

III Contingent Liabilities and Commitments	Foreign Currency	Current Year			Previous Year		
		Exchange Rate	Amount in Foreign Currency	Amount in Rs	Exchange Rate	Amount in Foreign Currency	Amount in Rs
Contingent Liabilities							
Commitments							
Total (G)							
Hedges by derivative and forward contracts (H)							
Unhedged Payable (I=G-H)							
Total unhedged FC Exposures (J=C+F+I)							

In terms of our clearance memorandum attached  
 For Gianender & Associates  
 Chartered Accountants  
 Firm Registration no. 004661N

*G. K. Agawal*

G. K. Agawal  
 Partner  
 Membership Number : 081603



Place: Mumbai  
 Date: April 27, 2018

For Kiratpur Ner Chowk Expressway Ltd.

*Sambal*

Chief Financial Officer

Place: Mumbai  
 Date: April 27, 2018

Annexure 12.1

KIRATPUR NER CHOWK EXPRESSWAY LIMITED  
Audit for the year ended March 31, 2018

Projected operating cash flow-Annuity Projects

	31-Mar-19	31-Mar-20	31-Mar-21
Annuity	NOT Applicable		
Less			
O&M			
Overlay			
Net Inflow	-	-	-

In terms of our clearance memorandum attached  
For Gianender & Associates  
Chartered Accountants



G. K. Agarwal  
Partner  
Membership Number : 081603



For Kiratpur Ner Chowk Expressway Ltd.



Chief Financial Officer

Place: Mumbai  
Date: April 27, 2018

Place: Mumbai  
Date: April 27, 2018

**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
Audit for the year ended March 31, 2018

**Details of Intercompany difference with reason**

Name of Company	Name of Related Party (ICP)	Description of Account (Line item of the Financial Statement)	Transaction / Closing Balance Amount		Reason for Difference
			Accounted by Company	Accounted by Related Party / Difference	
KNCEL	IFIN	OPE (Capitalised)	3,637	-	3,637
KNCEL	IFIN	Trade Payable (OPE)	3,321	1,08,574	-1,05,253 Bill not received

**In terms of our clearance memorandum attached**

**For Gianender & Associates**

Chartered Accountants

Firm Registration no. 004661N



G. K. Agarwal

Partner

Membership Number

Place: Mumbai

Date: April 27, 2018

**For Kiratpur Ner Chowk Expressway Ltd.**

**Chief Financial Officer**

Place: Mumbai

Date: April 27, 2018



**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
**Audit for the year ended March 31, 2018**

**Details of ICP Difference on account of Ind AS Adjustments**

**For ITNL Group Companies**

Name of Entity	GI code as per Hyperion CoA	GI name as per Hyperion CoA	Name of ICP (related party)	Debit (Rs.)	Credit (Rs.)	Nature of Transactions
KNCEL	2040104050	Unsecured Term Loan - Related Party	ITNL	12,83,73,031		
	2112000050	Deemed Equity	ITNL		12,83,73,031	
KNCEL	3030101010	Construction contract costs	ITNL	3,63,13,586		
	2050304020	Interest accrued and due on Borrowings - Related party	ITNL		2,67,58,696	EIR of Sub Debt
	PBFADJ	PBF			95,54,890	

**For ILFS Group Companies**

Name of Entity	GI code as per Hyperion CoA	GI name as per Hyperion CoA	Name of ICP (related party)	Debit (Rs.)	Credit (Rs.)	Nature of Transactions

In terms of our clearance memorandum attached

For Gianender & Associates  
Chartered Accountants  
Firm Registration no. 004661N

G. K. Agarwal  
Partner  
Membership Number : 081603

Place: Mumbai  
Date: April 27, 2018



For Kiratpur Ner Chowk Expressway Ltd.

Chief Financial Officer

Place: Mumbai  
Date: April 27, 2018

**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
**Audit for the year ended March 31, 2018**

**Movement of Prepaid / Unamortised Expenses of Inter-Company Balances**

Company Name - Amortising Expenses	Corresponding Company - recognising income - Specify Nature of Income	Year	Account Code and Head	Balance as at March 31, 2017	Transfer to Expense (Specify nature of expense)	Transfer to Fixed Assets	Charged to Reserves (Specify reserve)	Addition During the period	Transfer from Non-current to current	FCIR Difference	Balance as on March 31, 2018
ITNL	E.g. ITNL - Syndication Fee	2017-18									
<b>Total</b>											

In terms of our clearance memorandum attached  
**For Gianender & Associates**  
 Chartered Accountants  
 Firm Registration no. 004661N



*[Signature]*  
**G. K. Adarwal**  
 Partner  
 Membership Number: 081600  
 Place: Mumbai  
 Date: April 27, 2018

For Kiratpur Ner Chowk Expressway Ltd.

*[Signature]*  
**Chief Financial Officer**

Place: Mumbai  
 Date: April 27, 2018

**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
**Audit for the year ended March 31, 2018**

Impact as per Ind AS 115

Name of Entity	Line item as per Financials	Impact (Rs.) (ITNL and Subsidiaries)	Impact (Rs.) (Other Entities)

In terms of our clearance memorandum attached  
**For Gianender & Associates**  
 Chartered Accountants  
 Firm Registration no. 004661N



G. K. Agarwal  
 Partner  
 Membership Number: 081603

For Kiratpur Ner Chowk Expressway Ltd.

Chief Financial Officer

Place: Mumbai  
 Date: April 27, 2018

Place: Mumbai  
 Date: April 27, 2018

KIRATPUR NER CHOWK EXPRESSWAY LIMITED  
Audit for the year ended March 31, 2018

Annexure - 17

Movement in borrowings		Rs.						
	Opening Balance (as on 31st March 2017)	Additions	Repayments	Assignments	Foreign Exchange movement	EIR impact	Unamortised Borrowing cost	Closing balance (as on 31st March 2018)
<b>Secured – at amortised cost</b>								
(i) Bonds / debentures								
- from ITNL and Subsidiaries								
- from other related parties								
- from other parties								
(ii) Term loans								
- from banks	7,55,14,00,000	55,64,00,000						8,10,78,00,000
- from financial institutions	4,01,80,00,000	8,90,00,000					2,07,085	4,10,72,07,085
- from ITNL and Subsidiaries								
- from other related parties								
- from other parties								
(iii) Deposits								
(v) Long term maturities of finance lease obligations								
(iii) Other loans								
- Redeemable preference share capital								
- Secured Deferred Payment Liabilities								
<b>Unsecured – at amortised cost</b>								
(i) Bonds / debentures								
- from ITNL and Subsidiaries								
- from other related parties								
- from other parties								
(ii) Term loans								
- from banks								
- from financial institutions								
- from ITNL and Subsidiaries	1,38,91,60,031	1,53,95,66,926				(1,02,33,062)		2,91,84,93,895
- from other related parties								
- from other parties								
(iii) Deposits								
(iii) Finance lease obligations								
(iv) Commercial paper								
Unexpired discount								
(v) Other loans								
- Redeemable preference share capital								
<b>Sub total (A)</b>	<b>12,95,85,60,031</b>	<b>2,18,49,66,926</b>				<b>(1,02,33,062)</b>	<b>2,07,085</b>	<b>15,13,35,00,980</b>



KIRATPUR NER CHOWK EXPRESSWAY LIMITED  
Audit for the year ended March 31, 2018

Annexure - 17

Movement in borrowings

	Opening Balance (as on 31st March 2017)	Additions	Repayments	Assignments	Foreign Exchange movement	EIR impact	Unamortised Borrowing cost	Closing balance (as on 31st March 2018)
<b>Secured - at amortised cost</b>								
-Demand loans from banks. (do not give movement)								
<b>Unsecured - at amortised cost</b>								
-Demand loans from banks (do not give movement)								
<b>Sub total (B)</b>								
<b>Total Borrowings (A+B)</b>	12,95,85,60,031							15,13,35,00,980
<b>Borrowings as per Financials</b>								
Long term Borrowings	12,95,85,60,031							13,89,42,34,054
Current maturities of long-term debt								
Current maturities of finance lease obligations								1,23,92,66,926
Short term borrowings								15,13,35,00,980
<b>Total</b>	12,95,85,60,031							15,13,35,00,980
<b>Check - to be zero</b>								-

In terms of our clearance memorandum attached  
For Gianender & Associates  
Chartered Accountants  
Firm Registration no. 004661N



Place: Mumbai  
Date: April 27, 2018

For Kiratpur Ner Chowk Expressway Ltd.

Chief Financial Officer

Place: Mumbai  
Date: April 27, 2018

**KIRATPUR NER CHOWK EXPRESSWAY LIMITED**  
Audit for the year ended March 31, 2018

**List of Consolidating Entities**

( All the Companies submitting Consolidated Accounts needs to submit detail list of consolidated entities)

Sr. No.	Name of the Company	Country of Incorporation	March 31, 2018		Reason for non consolidated for March 31, 2018	March 31, 2017
			% Holding	Consolidated Yes/No		% Holding
<b>Subsidiaries - Direct</b>						
1						
2						
3						
4						
<b>Subsidiaries - Indirect</b>						
1						
2						
3						
4						
<b>Jointly Controlled Entities</b>						
1						
2						
3						
4						
<b>Associates</b>						
1						
2						
3						
4						
<b>Jointly Controlled Operations</b>						
1						
2						
3						
4						

**NOT APPLICABLE**

In terms of our clearance memorandum attached  
For Gianender & Associates  
Chartered Accountants  
Firm Registration no. 004661N

For Kiratpur Ner Chowk Expressway Ltd.

  
G. K. Agarwal  
Partner



Membership Number : 081603



Chief Financial Officer

Place: Mumbai  
Date: April 27, 2018

Place: Mumbai  
Date: April 27, 2018