HAZARIBAGH RANCHI EXPRESSWAY LIMITED
BALANCE SHEET AS AT MARCH 31, 2018
(For Consolidation into the Financial Information of IL&FS Transportation Networks Limited)

Rs.

Particulars	Notes	As at March 31, 2018		As at March 31, 2017	
ASSETS					
Non-current Assets					
(a) Property, plant and equipment	2	-	20,728		32,041
(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	-		-	
(iv) Others	5	3	3	3	3
(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		7,77,06,01,804		8,39,65,34,662
(f) Tax assets					
(i) Deferred Tax Asset (net)	21	-		-	
(ii) Non Current Tax Asset (Net)	24	-	-	-	-
(g) Other non-current assets	14		-		-
Total Non-current Assets			7,77,06,22,535		8,39,65,66,706
Current Assets					
(a) Inventories	12		-		-
(b) Financial assets					
(i) Trade receivables	9	-		-	
(ii) Cash and cash equivalents	13	74,27,57,791		75,67,27,613	
(iii) Bank balances other than (ii) above	13	56,39,00,000		56,39,00,000	
(iv) Loans	10	-		-	
(v) Other financial assets	11	64,88,84,427	1,95,55,42,218	59,17,45,469	1,91,23,73,082
(c) Current tax assets (Net)	24		6,41,84,055		5,50,47,021
(d) Other current assets	14		1,42,60,164		95,17,571
Total Current Assets			2,03,39,86,437		1,97,69,37,674
Total Assets			9,80,46,08,972		10,37,35,04,380
EQUITY AND LIABILITIES					
Equity					
(a) Equity share capital	15	1,31,00,00,000		1,31,00,00,000	
(b) Other Equity	16	(61,89,13,051)		(39,66,24,590)	
Equity attributable to owners of the Company			69,10,86,949		91,33,75,410
Non-controlling interests	17		-		-
Total Equity			69,10,86,949		91,33,75,410
LIABILITIES					
Non-current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	18	6,88,10,36,738		7,39,03,62,036	
(ii) Trade payables other than MSME	23	-		-	
(iii) Other financial liabilities	19	-	6,88,10,36,738	-	7,39,03,62,036
(b) Provisions	20		-		-
(c) Deferred tax liabilities (Net)	21		-		-
(d) Other non-current liabilities	22		-		-
Total Non-current Liabilities			6,88,10,36,738		7,39,03,62,036
Current liabilities					
(a) Financial liabilities					
(i) Borrowings	18	1,26,46,61,699		1,30,73,34,566	
(ii) Trade payables other than MSME	23	29,21,79,842		23,35,61,244	
(iii) Other financial liabilities	19	67,09,75,811	2,22,78,17,352	52,55,84,738	2,06,64,80,548
(b) Provisions	20		-		-
(c) Current tax liabilities (Net)	24		-		-
(d) Other current liabilities	22		46,67,933		32,86,386
Total Current Liabilities			2,23,24,85,285		2,06,97,66,934
Total Liabilities			9,11,35,22,023		9,46,01,28,970
Total Equity and Liabilities			9,80,46,08,972		10,37,35,04,380

Note 1 to 44 forms part of the consolidated financial statements.

In terms of our report attached.
For Luthra & Luthra
Chartered Accountants
Firm Registration No.002081N

Naresh Agarwal
Partner
Mem. No. : 504922

Place: Mumbai
Date : 26th April, 2018

For and on behalf of the Board

Vijay Kini
Director
Din:06612768

Prashant Agarwal
Director
Din:02348083

Chandrakant Jagasia
Chief Financial Officer

Dilip Darji
Company Secretary

Place: Mumbai
Date : 26th April 2018

Hazaribagh Ranchi Expressway Limited
MUMBAI

HAZARIBAGH RANCHI 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)

Rs.

	Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
I.	Revenue from Operations	25	67,89,71,387	91,75,56,218
II.	Other income	26	4,11,27,189	1,02,35,406
III.	**Total Income (I+II)**		72,00,98,576	92,77,91,624
IV.	**Expenses**			
	Cost of Material consumed	27	-	-
	Construction Costs	27	-	20,70,95,813
	Operating expenses	28	5,70,22,802	4,33,85,022
	Employee benefits expense	29	-	-
	Finance costs (net)	30	86,74,11,250	1,06,79,17,397
	Depreciation and amortisation expense	31	11,313	12,725
	Other expenses	32	1,79,41,672	1,24,39,051
	Total expenses (IV)		94,23,87,037	1,33,08,50,008
V	**Profit before share of profit/(loss) of an associate and a joint venture and tax (III-IV)**		(22,22,88,461)	(40,30,58,384)
VI	Less: Tax expense	33		
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	Total Tax expenses		-	-
VII	**Profit/(loss) after tax (V-VI)**		(22,22,88,461)	(40,30,58,384)
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)**		(22,22,88,461)	(40,30,58,384)
XI	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Acturial 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)**		(22,22,88,461)	(40,30,58,384)
	Profit for the year attributable to:			
	- Owners of the Company		(22,22,88,461)	(40,30,58,384)
	- Non-controlling interests			
			(22,22,88,461)	(40,30,58,384)
	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		(22,22,88,461)	(40,30,58,384)
	- Non-controlling interests			
			(22,22,88,461)	(40,30,58,384)
XIII	Earnings per equity share (face value ` 10 per share):	34		
	(1) Basic (in Rs.)		(1.70)	(3.08)
	(2) Diluted (in Rs.)		(1.70)	(3.08)

Note 1 to 44 forms part of the consolidated financial statements.

In terms of our report attached.
For Luthra & Luthra
Chartered Accountants
Firm Registration No.002081N

Luthra & Luthra Chartered Accountants New Delhi

Naresh Agarwal
Partner
Mem. No. : 504922

Place: Mumbai
Date : 26th April, 2018

For and on behalf of the Board

Vijay Kini
Director
Din:06612768

Prashant Agarwal
Director
Din:02348083

Chandrakant Jagasia
Chief Financial Officer

Dilip Darji
Company Secretary

Place: Mumbai
Date : 26th April 2018

Hazaribagh Ranchi Expressway Limited MUMBAI

HAZARIBAGH RANCHI EXPRESSWAY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018
(For Consolidation into the Financial Information of IL&FS Transportation Networks Limited)

Rs.

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Cash flows from operating activities		
Profit for the year	(22,22,88,461)	(40,30,58,384)
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	86,19,10,483	1,06,79,17,397
Interest income recognised in profit or loss	(4,11,27,189)	(1,02,35,406)
Modification Gain on IRR	55,00,767	
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	11,313	12,725
Excess provision written back		
Exchange (gain) / loss		
	60,40,06,913	65,46,36,332
Movements in working capital:		
Decrease in trade receivables (current and non current)		
Decrease in inventories		
(Increase)/decrease in other financial assets & other assets (current and non current)	(1,31,17,103)	12,10,841
Increase/ (Decrease) in financial liabilities & other liabilities (current and non current)	6,00,00,145	(90,00,261)
	4,68,83,042	(77,89,420)
Cash generated from operations	**65,08,89,955**	**64,68,46,912**
Income taxes paid (net of refunds)	(91,37,034)	(1,54,46,539)
Net cash generated by operating activities (A)	**64,17,52,921**	**63,14,00,373**
Cash flows from investing activities		
Payments for property, plant and equipment, intangible assets		
Proceeds from disposal of property, plant and equipment, intangible assets		
Increase in receivable under service concession arrangements (net)	57,81,29,380	55,77,50,867
Interest received	4,01,66,219	62,82,867
Fixed deposits matured / (placed) as security against borrowings		
Purchase of investments in joint venture		(56,39,00,000)
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		
Net cash used in investing activities (B)	**61,82,95,599**	**1,33,734**
Cash flows from financing activities		
Proceeds from issue of Rights Equity Shares (including securities premium)		
Rights issue / preference share issue expenses adjusted in securities premium		
Proceeds from borrowings		7,15,00,00,000
Repayment of borrowings	(57,29,27,224)	(5,68,06,53,593)
Movement in Short Term Borrowing	(4,26,72,867)	(66,37,68,343)
Finance costs paid	(65,84,18,251)	(98,61,83,768)
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		
Net cash generated in financing activities (C)	**(1,27,40,18,342)**	**(18,06,05,704)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(1,39,69,822)**	**45,09,28,403**
Cash and cash equivalents at the beginning of the year	75,67,27,613	30,57,99,210
Impact of acquisition / disposal of subsidiary		
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		
Cash and cash equivalents at the end of the year	**74,27,57,791**	**75,67,27,613**

HAZARIBAGH RANCHI EXPRESSWAY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Components of Cash and Cash Equivalents		
Cash on hand	1,391	1,391
Balances with Banks in current accounts	9,73,600	1,67,26,222
Balances with Banks in deposit accounts	74,17,82,800	74,00,00,000
Cash and Cash Equivalents	**74,27,57,791**	**75,67,27,613**
Less – Secured Demand loans from banks (Cash credit)(shown under current borrowings in note 18)		
Less – Bank overdraft (note 18)		
Cash and cash equivalents for statement of cash flows	**74,27,57,791**	**75,67,27,613**

Note 1 to 44 forms part of the consolidated financial statements.

In terms of our report attached.
For Luthra & Luthra
Chartered Accountants
Firm Registration No.002081N

Naresh Agarwal
Partner
Mem. No. : 504922

Place: Mumbai
Date : 26th April, 2018

For and on behalf of the Board

Vijay Kini
Director
Din:06612768

Prashant Agarwal
Director
Din:02348083

Chandrakant Jagasia
Chief Financial Officer

Dilip Darji
Company Secretary

Place: Mumbai
Date : 26th April 2018

New Delhi

Hazaribagh Ranchi Expressway Limited
MUMBAI

HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Statement of changes in equity
(For Consolidation into the Financial Information of IL&FS Transportation Networks Limited)

Rs.

a. Equity share capital	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Balance as at the begining of the year	1,31,00,00,000	1,31,00,00,000
Changes in equity share capital during the year		
Balance as at end of the year	1,31,00,00,000	1,31,00,00,000

Rs.

Statement of changes in equity for the year ended March 31, 2017

b. Other equity	Reserves and surplus								Items of other comprehensive income							
	Capital reserve	Securities premium reserve	General reserve	Capital reserve on consolidation	Debenture redemption reserve	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
Balance as at April 1, 2016							(1,27,89,66,060)	(1,27,89,66,060)					-	(1,27,89,66,060)		(1,27,89,66,060)
Profit for the year							(40,30,58,384)	(40,30,58,384)					-	(40,30,58,384)		(40,30,58,384)
Other comprehensive income for the year, net of income tax								-					-			-
Total comprehensive income for the year	-	-	-	-	-	-	(40,30,58,384)	(40,30,58,384)	-	-	-	-	-	(40,30,58,384)	-	(40,30,58,384)
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						1,28,53,99,854		1,28,53,99,854					-	1,28,53,99,854		1,28,53,99,854
Additional non-controlling interests arising on acquisition								-					-			-
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	-	-	-	-	-	1,28,53,99,854	(1,68,20,24,444)	(39,66,24,590)	-	-	-	-	-	(39,66,24,590)	-	(39,66,24,590)

Luthra & Luthra * Chartered Accountants * New Delhi

Hazaribagh Ranchi Expressway Limited * MUMBAI

HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Statement of changes in equity

Rs.

Statement of changes in equity for the year ended March 31, 2018																
b. Other equity	Reserves and surplus								Items of other comprehensive income							
	Capital reserve	Securities premium reserve	General reserve	Capital reserve on consolidation	Debenture redemption reserve	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
Balance as at April 1, 2017						1,28,53,99,854	(1,68,20,24,444)	(39,66,24,590)					-	(39,66,24,590)		(39,66,24,590)
Profit for the year							(22,22,88,461)	(22,22,88,461)					-	(22,22,88,461)		(22,22,88,461)
Other comprehensive income for the year, net of income tax								-					-	-		-
Total comprehensive income for the year	-	-	-	-	-	-	(22,22,88,461)	(22,22,88,461)	-	-	-	-	-	(22,22,88,461)	-	(22,22,88,461)
Payment of final dividends (including dividend tax)								-					-			-
Transfer to retained earnings								-					-			-
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								-					-			-
Balance As at March 31, 2018	-	-	-	-	-	1,28,53,99,854	(1,90,43,12,905)	(61,89,13,051)	-	-	-	-	-	(61,89,13,051)	-	(61,89,13,051)

Note 1 to 44 forms part of the consolidated financial statements.

In terms of our report attached.
For Luthra & Luthra
Chartered Accountants
Firm Registration No.002081N

Naresh Agarwal
Partner
Mem. No. : 504922

Place: Mumbai,
Date : 26th April, 2018

For and on behalf of the Board

Vijay Kini
Director
Din:06612768

Prashant Agarwal
Director
Din:02348083

Chandrakant Jagasia
Chief Financial Officer

Dilip Darji
Company Secretary

Place: Mumbai
Date : 26th April 2018

Hazaribagh Ranchi Expressway Limited

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

Note No-1

1. Background

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

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

Note No-2

2. Significant accounting policies

2.1 Statement of compliance

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

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

2.2 Basis of preparation and presentation

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

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

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

The principal accounting policies are set out below.

New Delhi

Hazaribagh Ranchi Expressway Limited MUMBAI

2.3 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

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

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

Luthra & Luthra Chartered Accountants New Delhi

Hazaribagh Ranchi Expressway Limited MUMBAI

Note No-3

3.1 Accounting for rights under service concession arrangements and revenue recognition

i. Recognition and measurement

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

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

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

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

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

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

iii. Revenue recognition

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

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

iv. Revenue from construction contracts

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

When the outcome of a construction contract can be estimated reliably and it is probable that it will

Hazaribagh Ranchi Expressway Limited MUMBAI

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

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

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

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

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

v. **Borrowing cost related to SCAs**

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

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

3.2 Borrowing costs

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

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

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

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3.3 Taxation

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Current tax

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

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

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

Deferred tax

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

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

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

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

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

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

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3.4 Property, plant and equipment

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

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

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

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

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

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

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

3.5 Financial instruments

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

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

3.6 Financial assets

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

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

3.6.1 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):

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

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

3.6.2 Amortised cost and Effective interest method

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

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

3.6.3 Reclassification of financial assets

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

3.6.3.1 Derecognition of financial assets

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

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

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asset.

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

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

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

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

3.7 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.

3.7.1 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

3.7.2 Financial liabilities

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

3.7.3 Financial liabilities subsequently measured at amortised cost

Financial liabilities are measured at amortized cost at the end of subsequent accounting periods. The

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

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

3.7.4 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.

3.8 Cash and cash equivalents

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

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

3.9 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).

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3.10 Critical accounting judgments

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

The matters to be disclosed will be dictated by the circumstances of the individual entity, and by the significance of judgements and estimates made to the performance and financial position of the entity. Instead of disclosing this information in a separate note, it may be more appropriate to include such disclosures in the relevant asset and Ind AS 112.7 requires entities to disclose information about significant judgements and assumptions they have made in determining (i) whether they have control of another entity, (ii) whether they have joint control of an arrangement or significant influence over another entity, and (iii) the type of joint arrangement when the arrangement has been structured through a separate vehicle.

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

3.11 Key sources of estimation of uncertainty

Key source of estimation of uncertainty at the date of Financial Statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of-

a. Revenue recognition-Margin on Intangible Assets

The Company has recognised margin on intangible assets equivalent to the internal rate of return ("IRR") generated by the asset. The IRR calculation considers components such as revenue from the asset, expenses to be incurred for generating the revenue and cost incurred / to be incurred for constructing the asset for its intended use. These components are estimated by the management considering assumptions such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Estimates for contingencies (v) There will be no change in design and the geological factors will be same as communicated and (vi) price escalations etc. There is some amount of complexity involved in estimating these components and these estimates are sensitive to changes in the underlying assumptions. All the estimates and assumptions are reviewed at each reporting date.

3.12 Key estimations in relation to fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 38 for further disclosures.

3.13 Standard Issued but not yet effective

The Ministry of Corporate Affairs (MCA), on 28 March 2018, notified Ind AS 115, *Revenue from Contracts with Customers*, as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The new standard is effective for accounting periods beginning on or after 1 April 2018. Since the company is in annuity project there will be no material impact on revenue accounting followed by the company.

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2. Tangible Assets

Rs.

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 exchange 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	2,94,871						2,94,871	2,93,453	-	-	-	1,412	-	2,94,865	6	1,418
Office premises							-	-	-	-	-		-	-	-	-
Office equipments	55,280						55,280	55,276	-	-	-	-	-	55,276	4	4
Leasehold improvements							-	-	-	-	-		-	-	-	-
Furniture and fixtures	89,592						89,592	46,248	-	-	-	11,313	-	57,561	32,031	43,344
Electrical installations							-	-	-	-	-		-	-	-	-
Plant and machinery							-	-	-	-	-		-	-	-	-
Property plant and equipment on lease :																
Plant and machinery							-	-	-	-	-		-	-	-	-
Vehicles							-	-	-	-	-		-	-	-	-
Furniture and fixtures							-	-	-	-	-		-	-	-	-
Building and structures							-	-	-	-	-		-	-	-	-
Land							-	-	-	-	-		-	-	-	-
Subtotal	4,39,743	-	-	-	-	-	4,39,743	3,94,977	-	-	-	12,725	-	4,07,702	32,041	44,766
Capital work-in-progress							-	-	-	-	-	-	-	-	-	-
Total	4,39,743	-	-	-	-	-	4,39,743	3,94,977	-	-	-	12,725	-	4,07,702	32,041	44,766

Rs.

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 exchange 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	2,94,871						2,94,871	2,94,865				-		2,94,865	6	6
Office premises	-						-	-						-	-	-
Office equipments	55,280						55,280	55,276				-		55,276	4	4
Leasehold improvements	-						-	-						-	-	-
Furniture and fixtures	89,592						89,592	57,561				11,313		68,874	20,718	32,031
Electrical installations	-						-	-						-	-	-
Plant and machinery	-						-	-						-	-	-
Property plant and equipment on lease :																
Plant and machinery	-						-	-						-	-	-
Vehicles	-						-	-						-	-	-
Furniture and fixtures	-						-	-						-	-	-
Building and structures	-						-	-						-	-	-
Land	-						-	-						-	-	-
Subtotal	4,39,743	-	-	-	-	-	4,39,743	4,07,702	-	-	-	11,313		4,19,015	20,728	32,041
Capital work-in-progress	-						-	-	-	-	-	-		-	-	-
Total	4,39,743	-	-	-	-	-	4,39,743	4,07,702	-	-	-	11,313		4,19,015	20,728	32,041

Footnote :
Additions to Plant and Machinery for the current year, includes Plant and Machinery of ₹ ___ crore given on operating lease for period of ___ years at fixed monthly rental which is included in Miscellaneous income under Other Income.

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3. Investment property

Rs.

Particular	As at March 31, 2018	As at March 31, 2017
Investment property (A-B)		
Investment property under development		
Total	-	-

NOT APPLICABLE

a) Investment property

Rs.

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		
Balance at end of the year (A)	-	-

Rs.

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		
Balance at end of the year (B)	-	-

NOT APPLICABLE

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, 2017are as follows:

	Fair value as per Level 2 (Rs.)	
Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Investment property		
Investment property under development (Refer Footnote)		
Total	-	-

NOT APPLICABLE

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.

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4. Goodwill on consolidation

Rs.

Particulars	As at March 31, 2018	As at March 31, 2017
Cost (or deemed cost)		
Total	-	-

Rs.

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		
Balance at end of year	-	-

--NOT APPLICABLE--

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		
Total	-	-

--NOT APPLICABLE--

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5. Intangible assets

Rs.

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	Balance as at April 1, 2016	Opening Adjustments	Amortisation expense	Deductions	Effect of foreign currency exchange differences	Balance As at March 31, 2017	As at March 31, 2017	As at April 1, 2017
Software / Licences acquired	63,358					63,358	63,355					63,355	3	3
Commercial rights acquired												-	-	-
Others												-	-	-
Subtotal (a)	63,358	-	-	-	-	63,358	63,355	-	-	-	-	63,355	3	3
Rights under service concession arrangements (b)										-		-	-	-
Intangible assets under development (c)										-	-	-	-	-
Total (a+b+c)	63,358	-	-	-	-	63,358	63,355	-	-	-	-	63,355	3	3

Rs.

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	Balance as at April 1, 2017	Opening Adjustments	Amortisation expense	Deductions	Effect of foreign currency exchange differences	Balance As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Software / Licences acquired	63,358					63,358	63,355					63,355	3	3
Commercial rights acquired	-					-	-					-	-	-
Others	-					-	-					-	-	-
Subtotal (a)	63,358	-	-	-	-	63,358	63,355	-	-	-	-	63,355	3	3
Rights under service concession arrangements (b)	-					-	-					-	-	-
Intangible assets under development (c)	-					-	-	-	-	-	-	-	-	-
Total (a+b+c)	63,358	-	-	-	-	63,358	63,355	-	-	-	-	63,355	3	3

Footnotes :

1. Estimates under Service Concession Arrangement - Right under Service Concession Arrangements / Intangible assets under Development

Estimates 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

Rs.

Particulars	As at March 31, 2018	As at March 31, 2017
Cumulative Margin on construction in respect of Intangible Assets / Intangible Assets under development		

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Amortisation charge in respect of intangible assets	-	-

Lodha & Lodha Chartered Accountants New Delhi

Hazaribagh Ranchi Expressway Limited MUMBAI

HAZARIBAGH RANCHI 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)

6 Investments in associates

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

Rs.

Particulars	As at March 31, 2018		As at March 31, 2017	
	Qty	Amount	Qty	Amount
Quoted Investments (all fully paid)				
Investments in Equity Instruments (at Deemed cost)				
Total aggregate quoted investments (A)				-
Unquoted Investments (all fully paid)				
Investments in Equity Instruments (at cost)				
Total aggregate unquoted investments (B)		-		-
Total investments carrying value (A) + (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	-		-	

NOT APPLICABLE

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

Rs.

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	-	-

NOT APPLICABLE

Rs.

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

Rs.

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

Rs.

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

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Hazaribagh Ranchi Expressway Limited MUMBAI