

Special Purpose Financial Statements  
Sharjah General Services Company LLC (Khadamat)  
Balance sheet

Equivalent ₹

Particulars	Notes	As at		As at	
		March 31, 2018		March 31, 2017	
<b>ASSETS</b>					
<b>1) Non-current Assets</b>					
(a) Property, plant and equipment	5		758,548		920,247
(b) Financial assets					
Other financial assets	6		88,244		88,214
<b>Total Non-current Assets</b>			<b>846,792</b>		<b>1,008,461</b>
<b>2) Current Assets</b>					
(a) Financial assets					
Cash and cash equivalents	7	1,978,358		476,948	
			1,978,358		476,948
(b) Other current assets	8		257,682		268,950
			<b>2,236,040</b>		<b>745,898</b>
<b>Total Current Assets</b>			<b>2,236,040</b>		<b>745,898</b>
<b>Total Assets</b>			<b>3,082,831</b>		<b>1,754,359</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity share capital	9	5,093,790		5,093,790	
(b) Other Equity	10	(92,163,683)		(87,206,568)	
Equity attributable to owners of the Company			<b>(87,069,893)</b>		<b>(82,112,778)</b>
<b>Total Equity</b>			<b>(87,069,893)</b>		<b>(82,112,778)</b>
<b>LIABILITIES</b>					
<b>Non-current Liabilities</b>					
(a) Financial Liabilities					
Borrowings	11	55,593,581	55,593,581	-	
<b>Non-current Liabilities</b>			<b>55,593,581</b>		<b>-</b>
<b>Current liabilities</b>					
(a) Financial liabilities					
(i) Trade payables	13	18,187,893		19,390,528	
(ii) Other financial liabilities	12	16,371,250	34,559,143	64,476,608	83,867,137
<b>Total Current Liabilities</b>			<b>34,559,143</b>		<b>83,867,137</b>
<b>Total Liabilities</b>			<b>90,152,724</b>		<b>83,867,137</b>
<b>Total Equity and Liabilities</b>			<b>3,082,831</b>		<b>1,754,359</b>

Notes 1 to 27 forms part of the special purpose financial statements.

For SBRC & CO LLP  
Chartered Accountants  
ICAI Firm's Registration no. 324982E/E300003

For and on behalf of the Board

Per Nishant Mankodi  
Partner  
Membership No.

Director Director

Place : Mumbai  
Date :

Place: Dubai  
Date :

**Special Purpose Financial Statements**  
**Sharjah General Services Company LLC (Khadamat)**  
**Statement of profit and loss for the year ended March 31, 2018**

Equivalent ₹

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
(i) Revenue from Operations		-	-
(ii) Other income	14	-	1,978,647
<b>Total Income</b>		<b>-</b>	<b>1,978,647</b>
<b>(iii) Expenses</b>			
Employee benefits expense	15	181,730	7,836,785
Finance costs	16	1,959,144	1,918,178
Depreciation and amortisation expense	17	161,699	279,676
Other expenses	18	2,602,881	5,629,376
<b>Total expenses</b>		<b>4,905,453</b>	<b>15,664,015</b>
<b>Profit/(Loss) for the year (i-iii)</b>		<b>(4,905,453)</b>	<b>(13,685,368)</b>
<b>Other comprehensive income</b>			
A (ii) Income tax relating to items that will not be reclassified to profit or loss			
<u>(i) Items that may be reclassified to profit or loss</u>			
Exchange differences in translating the financial statements of foreign operations including the gain / loss on related hedging instrument		(51,662)	-
<b>Total other comprehensive profit/ ( loss)</b>		<b>(51,662)</b>	<b>-</b>
<b>Total comprehensive profit/ (loss) for the year</b>		<b>(4,957,115)</b>	<b>(13,685,368)</b>
Profit/ (Loss) for the year attributable to:		(4,905,453)	(13,685,368)
		(4,905,453)	(13,685,368)
Other comprehensive (loss)/income for the year attributable to:		(51,662)	-
		(51,662)	-
Total comprehensive profit/(loss) for the year attributable to:		(4,957,115)	(13,685,368)
		(4,957,115)	(13,685,368)
Profit/ (Loss) per equity share (Face Value: Aed 3000 per share) Basic and Diluted (in Rs)	19	(49,055)	(136,854)

Notes 1 to 27 forms part of the special purpose financial statements.

For SBRC & CO LLP  
Chartered Accountants  
ICAI Firm's Registration no. 324982E/E300003

For and on behalf of the Board

Per Nishant Mankodi  
Partner  
Membership No.

Director Director

Place : Mumbai  
Date :

Place: Dubai  
Date :

**Special Purpose Financial Statements**  
**Sharjah General Services Company LLC (Khadamat)**  
**Statement of cash flows for the year ended March 31, 2018**

Equivalent ₹

	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash flows from operating activities</b>		
Loss for the year	(4,905,453)	(13,685,368)
Adjustments for:		
Finance costs recognised in profit or loss	1,959,144	1,918,178
Employee benefits (net)	-	-
Depreciation and amortisation	161,699	279,676
	<b>(2,784,611)</b>	<b>(11,487,515)</b>
Movements in working capital:		
Decrease / (increase) in trade receivables and others	(17,799)	120,672
Increase in payables and other current liabilities	4,303,651	1,038,695
	<b>4,285,852</b>	<b>1,159,367</b>
Cash (used in) / generated from operations	<b>1,501,241</b>	<b>(10,328,149)</b>
<b>Net cash (used in) / generated from operating activities</b>	<b>1,501,241</b>	<b>(10,328,149)</b>
<b>Cash flows from financing activities</b>		
Proceeds from long term borrowings		9,777,090
<b>Net generated from / (used in) financing activities</b>	-	<b>9,777,090</b>
<b>Net decrease in cash and cash equivalents</b>	1,501,241	(551,060)
Cash and cash equivalents at the beginning of the year	476,948	1,028,007
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	168	-
<b>Cash and cash equivalents at the end of the year</b>	<b>1,978,358</b>	<b>476,948</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash on hand	3,764	3,763
Balances with Banks in current accounts	1,974,594	473,185
Cash and Cash Equivalents as per Balance Sheet	1,978,358	476,948

Notes 1 to 27 forms part of the special purpose financial statements.

For SBRC & CO LLP  
Chartered Accountants  
ICAI Firm's Registration no. 324982E/E300003

For and on behalf of the Board

Per Nishant Mankodi  
Partner  
Membership No.

Director Director

Place : Mumbai  
Date :

Place: Dubai  
Date :

Special Purpose Financial Statements  
 Sharjah General Services Company LLC (Khadamat)  
 Statement of changes in equity for the year ended March 31, 2018

Equivalent ₹

a. Equity share capital	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Balance as at the beginning of the year	5,093,790	5,093,790
Changes in equity share capital during the year		
<b>Balance as at end of the year</b>	<b>5,093,790</b>	<b>5,093,790</b>

Equivalent ₹

b. Other equity	Reserves and surplus		Items of other comprehensive income		Total
	Retained earnings	Total	Foreign currency translation reserve	Total	
<b>Balance as at April 1, 2016</b>	(71,254,842)	(71,254,842)	(2,266,358)	(2,266,358)	(73,521,200)
Loss for the year	(13,685,368)	(13,685,368)	-	-	(13,685,368)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(13,685,368)</b>	<b>(13,685,368)</b>	<b>-</b>	<b>-</b>	<b>(13,685,368)</b>
<b>Balance as at March 31, 2017</b>	<b>(84,940,210)</b>	<b>(84,940,210)</b>	<b>(2,266,358)</b>	<b>(2,266,358)</b>	<b>(87,206,568)</b>
Loss for the year	(4,905,453)	(4,905,453)	-	-	(4,905,453)
Other Comprehensive income	-	-	(51,662)	(51,662)	(51,662)
<b>Total Comprehensive Loss for the year</b>	<b>(4,905,453)</b>	<b>(4,905,453)</b>	<b>(51,662)</b>	<b>(51,662)</b>	<b>(4,957,115)</b>
<b>Balance as at March 31, 2018</b>	<b>(89,845,663)</b>	<b>(89,845,663)</b>	<b>(2,318,020)</b>	<b>(2,318,020)</b>	<b>(92,163,683)</b>

Notes 1 to 27 forms part of the special purpose financial statements.

For SBRC & CO LLP  
 Chartered Accountants  
 ICAI Firm's Registration no. 324982E/E300003

For and on behalf of the Board

Per Nishant Mankodi  
 Partner  
 Membership No.

Director Director

Place : Mumbai  
 Date :

Place: Dubai  
 Date :

## **Sharjah General Services Company LLC (Khadamat)**

### **Notes forming part of the Special Purpose Financial Statements**

#### **General Information & Significant Accounting Policies**

##### **1. General information**

SHARJAH GENERAL SERVICES COMPANY LLC (KHADAMAT) (the "Company") was incorporated on 16th July 2013 as a Company limited by Shares in UAE. The Company is a subsidiary of ITNL International Pte. Limited, Singapore, (the "Parent Company"). IL&FS Transportation Networks Limited is the intermediate holding company and Infrastructure Leasing & Financial Services Limited (IL&FS), India is the ultimate parent and controlling party. The object of the company is to carry on Management and operation of public facilities. The object of the source of income will be from project management consultancy services, success fees, construction etc.

During the year ended, the Company has incurred losses aggregating Equivalent Rs.4,905,453 resulting in accumulated losses of Equivalent Rs. 89,845,663 as on March 31, 2018. In spite of these accumulated losses eroding the net worth fully, the Special Purpose financial statements have been prepared on going concern basis due to the following reasons:

(i) The Company is assured of continuing operational and financial support from its parent company, ITNL vide its letter dated May 2, 2018 and as evidenced by the working capital facility extended to the Company.

(ii) Al Khan Parking Project, Sharjah: IIDL is advising Tawreed (Leading Investment Company in UAE) in the development of Automated Car Parking Project on PPP basis in Sharjah as a Project Advisor, with an option of participating in Equity. Project proposal has been appreciated by the Sharjah Investment and Development Authority (Shurooq). In case the Project is materialised, Khadamat would sign the Concession Agreement with Shurooq

(iii) Souq Al Haraj Parking Project, Sharjah: IIDL is Providing Fee Based Project Development Advice To Sharjah Asset Management Company, A Uae Based Investment Company. The Project Include Development Of Car Parking For Used Car Dealers, Car Enthusiasts And Airport Long Term Parking On Dbfot - Bot Basis. In Case The Project Is Materialised, Khadamat Would Sign The Concession Agreement With Sharjah Asset Management Company.

(iv) Airport Authority of Sharjah has invite international advisory mandate from Khadamat for advising them on expansion of Sharjah Airport. All necessary documents are submitted by IIDL to take part in the bidding prices.

##### **2. Significant accounting policies**

###### **2.1 Statement of compliance**

The primary books of account of the Company are prepared and maintained as per the Local GAAP. These Special Purpose financial Statements have been specifically prepared in accordance with the Accounting Principles generally accepted in India, including the Indian Accounting Standard (INDAS) prescribed under Section 133 of the Act, as applicable. The accounting policies followed in the preparation and presentation of the Special Purpose Financial Statements are consistent with those followed by IL&FS Transportation Networks Limited ("ITNL") (the Intermediate Holding Company) i.e. the accounting principles generally accepted in India and also the accounting policies given in the Group Referral Instructions issued by ITNL. The functional currency of the company is INR.

These special purpose financial statements have been prepared for the limited purpose of inclusion in the preparation of the consolidated financial statements of ITNL and these special purpose financial statements have been prepared in Indian Rupees (Reporting Currency) in accordance with the principles for conversion laid down in INDAS -21 notified under the Rules.

## 2.2 Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis, except as specifically explained in the accounting policies below.

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.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The balance sheet presents current and non-current assets, and current and non-current liabilities, as separate classifications. For this purpose, an asset is classified as current if:

- It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is expected to realise the asset within 12 months after the reporting period; or
- The asset is a cash or equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- It is expected to be settled in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within 12 months after the reporting period; or
- The Company does not have an unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

## **2.3 Foreign currencies**

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

## **2.4 Employee benefits**

### **2.4.1 Retirement benefit costs and termination benefits**

Provision for employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

### **2.4.2 Short-term and other long-term employee benefits**

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

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

### **2.4.3 Revenue Recognition**

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

#### **2.4.3.1 Derecognition of financial assets and financial liabilities**

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

#### **2.4.3.2 Classification of debt instruments**

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

#### **2.4.3.3 Cumulative translation differences on foreign operations**

The Company has elected the option to reset the cumulative translation differences on foreign operations that exist as of the transition date to zero. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date

The Company's service offering includes management services. Revenue is recognised when it is realised or realisable and earned. Revenue is considered as realised or realisable and earned when it has persuasive evidence of an arrangement, services provided, the sale price / contract price is fixed or determinable and collectability is reasonably assured.

## 2.5 Property, plant and equipment

The deemed cost exemption is taken, on transition date of April 1, 2015, the accumulated depreciation for non-SCA assets have been made to zero. The net block as per previous GAAP has become gross block as per Ind AS on the transition date of April 1, 2015

### a. Tangible:

Property, plant and equipments are stated at their original cost of construction less 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 location and in working condition for its intended use.

### b. Depreciation / Amortisation

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

(ii) Following assets are depreciated over a useful life which is shorter than the life prescribed under Schedule II of the Companies Act 2013 based on internal technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc.

1. Data Processing Equipment – Server and Networking equipment are depreciated over a period of 3 years
2. Mobile Phones and Ipad / Tablets are fully depreciated in the year of purchase
3. Cars purchased by the company for employees, are depreciated on Straight Line Method over a period of Five years
4. Office Premises is depreciated over a period of 61 years
5. Office furniture is depreciated over a period of 10 years
6. Office equipment is depreciated over a period of 5 years

## 2.6 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## 2.7 Financial instruments

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

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

## 2.8 Financial assets

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

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

## 2.9 Classification of financial assets



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; and

the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **2.10 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 the Statement of Profit and 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 the Statement of Profit or Loss as an income or expense.

#### **2.11 Financial liabilities and equity instruments**

##### **2.11.1 Classification as debt or equity**

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

##### **2.11.2 Financial liabilities**

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

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

**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 recognised in profit or loss.

##### **2.12 Use of estimates and judgements**

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

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

##### **Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

### **Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

### **Foreign exchange gains and losses**

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

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

### **Derecognition of financial liabilities**

The Company derecognises 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 derecognised and the consideration paid and payable is recognised in profit or loss.

## **3. First-time adoption optional exemptions**

### **3.1 Overall principle**

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

#### **3.1.1 Deemed cost for property, plant and equipment**

(i) The Company has elected to continue with the carrying value of all of its plant and equipment, and recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(ii) The Company has elected the option to reset the cumulative translation differences on foreign operations that exist as of the transition date to zero. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

#### **3.1.2 Derecognition of financial assets and financial liabilities**

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

#### **3.1.3 Classification of debt instruments**

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

### **4.1 Critical judgements in applying accounting policies**

In the application of the Company's accounting policies which are described in Note 2 above, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The management is of the opinion that any instances of application of judgments are not expected to have a significant effect on the amounts recognised in the financial statements

### **4.2 No Tax is applicable on profits as per Dubai Law**

### **4.3 Key sources of estimation uncertainty**

The key assumptions made concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### **4.4 Ind AS Reconciliation:**

There were no significant reconciliation items between:

- i) Equity as previously reported under IGAAP to Ind AS;
- ii) Balance Sheet as previously reported under IGAAP to INDAS;
- iii) Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS; and
- iv) Cash flows prepared under Indian GAAP and those prepared under Ind AS;

and hence, no disclosure with respect to Ind AS reconciliation items have been made. There were only regrouping under Ind AS as compared to IGAAP

### **4.5 Recent accounting pronouncements**

#### **Standards issued but not yet effective**

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

Special Purpose Financial Statements  
Sharjah General Services Company LLC (Khadamat)

Notes forming part of the Special Purpose Financial Statements

Note-5: Property, plant and equipments  
Current Year

Particulars	Cost or Deemed cost		Accumulated depreciation			Carrying Amount
	Balance as at April 1, 2017	Balance at March 31, 2018	Balance as at April 1, 2017	Depreciation for the year	Balance at March 31, 2018	As at March 31, 2018
<b>Property plant and equipment</b>						
Data processing equipments	293,727	293,727	285,902	7,825	293,727	0
Office equipments	66,806	66,806	37,760	18,854	56,614	10,191
Furniture and fixtures	1,153,784	1,153,784	270,409	135,019	405,428	748,356
<b>Subtotal</b>	<b>1,514,317</b>	<b>1,514,317</b>	<b>594,071</b>	<b>161,699</b>	<b>755,769</b>	<b>758,548</b>
<b>Total</b>	<b>1,514,317</b>	<b>1,514,317</b>	<b>594,071</b>	<b>161,699</b>	<b>755,769</b>	<b>758,548</b>

Previous Year

Particulars	Cost or Deemed cost		Accumulated depreciation			Carrying Amount
	Balance as at April 1, 2016	Balance at March 31, 2017	Balance as at April 1, 2016	Depreciation for the year	Balance at March 31, 2017	As at March 31, 2017
<b>Property plant and equipment</b>						
Data processing equipments	293,727	293,727	160,099	125,802	285,902	7,826
Office equipments	66,806	66,806	18,906	18,854	37,760	29,046
Furniture and fixtures	1,153,784	1,153,784	135,389	135,019	270,409	883,376
<b>Subtotal</b>	<b>1,514,317</b>	<b>1,514,317</b>	<b>314,395</b>	<b>279,676</b>	<b>594,071</b>	<b>920,247</b>
<b>Total</b>	<b>1,514,317</b>	<b>1,514,317</b>	<b>314,395</b>	<b>279,676</b>	<b>594,071</b>	<b>920,247</b>

Special Purpose Financial Statements  
Sharjah General Services Company LLC (Khadamat)  
Notes forming part of the Special Purpose Financial Statements

6. Other financial assets- Non Current

Equivalent ₹

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Others -</b>		
Security Deposits	88,244	88,213
<b>Total</b>	<b>88,244</b>	<b>88,213</b>

7. Cash and cash equivalents

Equivalent ₹

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with Banks	1,974,594	473,185
Cash on hand	3,764	3,763
<b>Cash and cash equivalents</b>	<b>1,978,358</b>	<b>476,948</b>

8. Other assets- Current

Equivalent ₹

Particulars	As at March 31, 2018	As at March 31, 2017
Prepaid expenses	216,715	268,950
VAT input credit	40,967	-
<b>Total</b>	<b>257,682</b>	<b>268,950</b>

Special Purpose Financial Statements  
 Sharjah General Services Company LLC (Khadamat)  
 Notes forming part of the Special Purpose Financial Statements

Note-9  
 Equity Share Capital

Particulars	Equivalent ₹	
	As at March 31, 2018	As at March 31, 2017
<b>Authorised Share capital :</b>		
100 equity shares of AED 3,000 each	5,093,790	5,093,790
<b>Issued and subscribed capital comprises:</b>		
100 fully paid equity shares of AED 3000 each (as at March 31, 2016: 100; as at April 1, 2015: 100)	5,093,790	5,093,790
	5,093,790	5,093,790

Movement during the year	For the Year ended March 31, 2018		For the Year ended March 31, 2017	
	Number of shares	Share capital (Amount)	Number of shares	Share capital (Amount)
Balance at the start of the year	100	5,093,790	100	5,093,790
Movements during the year	-	-	-	-
Balance at the end of the year	100	5,093,790	100	5,093,790

Fully paid equity shares, which have a par value of AED3000, carry one vote per share and carry a right to dividends.

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

Particulars	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
Fully paid equity shares				
ITNL International PTE Ltd	49	49%	49	49%
Sheikh Sultan Ahmed Sultan Al-Qassimi	41	41%	41	41%
Sheikh Mohammed Ahmed Sultan Al-Qassimi	10	10%	10	10%
<b>Total</b>	100	100%	100	100%

10. Other Equity

Particulars	Equivalent ₹	
	Year ended March 31, 2018	Year ended March 31, 2017
<u>Foreign currency translation reserve</u>		
Balance at beginning of year	(2,266,358)	(2,266,358)
Exchange differences arising on translating the foreign operations	(51,662)	-
<b>Balance at end of the period</b>	<b>(2,318,019)</b>	<b>(2,266,358)</b>
<u>Retained earnings</u>		
Balance at beginning of year	(84,940,210)	(71,254,842)
Loss attributable to owners of the Company	(4,905,453)	(13,685,368)
<b>Balance at end of the period</b>	<b>(89,845,663)</b>	<b>(84,940,210)</b>
<b>Total</b>	<b>(92,163,683)</b>	<b>(87,206,568)</b>

Special Purpose Financial Statements  
 Sharjah General Services Company LLC (Khadamat)  
 Notes forming part of the Special Purpose Financial Statements

11. Non-current Borrowings

Equivalent ₹

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Unsecured – at amortised cost</b>		
Loans from related parties (see footnote)	55,593,581	-
<b>Total Non-current borrowings</b>	<b>55,593,581</b>	<b>-</b>

Footnote : Loan from a Holding Company is obtained for working capital requirements. The loan is unsecured, carries interest rate 3.5% per annum and is repayable in one bullet payment along with interest. The loan had been extended for another 6 months for repayment and was maturing on September 30, 2017. However it has been further extended till 9th September 2019.

12. Other financial liabilities - Current

Equivalent ₹

Particulars	As at March 31, 2018	As at March 31, 2017
Current maturities of long-term debt - Unsecured (refer footnote)	-	59,711,114
Others :-		
-Interest accrued payable to holding company	6,110,652	-
-Amount due to related parties	10,260,598	4,765,495
<b>Total</b>	<b>16,371,250</b>	<b>64,476,609</b>

13. Trade payables - Current

Equivalent ₹

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payables	18,187,893	19,390,528
<b>Total</b>	<b>18,187,893</b>	<b>19,390,528</b>

**Special Purpose Financial Statements**  
**Sharjah General Services Company LLC (Khadamat)**  
**Notes forming part of the Special Purpose Financial Statements**

**14. Other Income**

Equivalent ₹

Other Non-Operating Income	Year ended March 31, 2018	Year ended March 31, 2017
Foreign Exchange fluctuation gain (net)	-	1,978,647
<b>Total</b>	<b>-</b>	<b>1,978,647</b>

**15. Employee benefits expense**

Equivalent ₹

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and Wages	181,730	6,919,649
Contribution to funds	-	115,304
Staff Welfare expenses	-	801,832
<b>Total</b>	<b>181,730</b>	<b>7,836,785</b>

**16. Finance costs**

Equivalent ₹

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Continuing operations</b>		
(a) Interest costs :-		
Interest on loans from related parties	1,959,144	1,918,177
<b>Total</b>	<b>1,959,144</b>	<b>1,918,177</b>

**17. Depreciation and amortisation expense**

Equivalent ₹

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property, plant and equipment pertaining to continuing operations	161,699	279,676
<b>Total depreciation and amortisation pertaining to continuing operations</b>	<b>161,699</b>	<b>279,676</b>

**18. Other expenses**

Equivalent ₹

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Power and fuel		
Rent expense	1,427,825	1,460,061
Travelling and conveyance	-	13,821
Legal and consultation fees	87,643	2,190,888
Rates and taxes	291,845	442,903
Communication expenses	166,083	351,359
Audit fees	522,534	1,022,597
Electricity Charges	62,167	44,811
Bank Commission	44,786	56,981
office Administration	-	45,956
<b>Total</b>	<b>2,602,881</b>	<b>5,629,376</b>

₹

Payments to auditors	Year ended March 31, 2018	Year ended March 31, 2017
For audit	522,534	1,022,597
b) For taxation matters		
c) For company law matters		
d) For other services		
e) For reimbursement of expenses		
e) Service tax on Above		
<b>Total</b>	<b>522,534</b>	<b>1,022,597</b>

**Special Purpose Financial Statements**  
**Sharjah General Services Company LLC (Khadamat)**  
**Notes forming part of the Special Purpose Financial Statements**

**19. Loss per share (Basic and diluted)**

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

<b>Particulars</b>	<b>Equivalent ₹</b>	
	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
loss for the year attributable to owners of the Company (A)	(4,905,453)	(13,685,368)
Weighted average number of equity shares (B)	100	100
<b>Basic and diluted loss per share (A/B) (₹)</b>	<b>(49,055)</b>	<b>(136,854)</b>



**Sharjah General Services Company LLC (Khadamat)**  
**Notes forming part of the Special Purpose Financial Statements**

**20. Related Party Disclosures**

**As at March 31, 2018**

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

<b>Nature of Relationship</b>	<b>Name of Entity</b>	<b>Abbreviation used</b>
Ultimate Holding Company	Infrastructure Leasing & Financial Services Limited	IL&FS
Immediate Holding company	ITNL International Pte. Ltd., Singapore	I IPL
Intermediate Holding Company	IL&FS Transportation Networks Limited	ITNL
Key Management Personnel ("KMP")	K Ramchand, Director Mukund Sapre, Director Ravi Sreehari, Managing Director	
Fellow Subsidiary (Only with whom there are transaction during the year)	ITNL International DMCC	IIDMCC
	ITNL Infrastructure Developer LLC	IIDL

**As at March 31, 2017**

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

<b>Nature of Relationship</b>	<b>Name of Entity</b>	<b>Abbreviation used</b>
Ultimate Holding Company	Infrastructure Leasing & Financial Services Limited	IL&FS
Immediate Holding company	ITNL International Pte. Ltd., Singapore	I IPL
Intermediate Holding Company	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries (Only with whom there have been transaction during the year/ there was balance outstanding at the year end)	ITNL International DMCC	IIDMCC
Key Management Personnel ("KMP")	K Ramchand, Director Mukund Sapre, Director Ravi Sreehari, Managing Director	

Sharjah General Services Company LLC (Khadamat)  
Notes forming part of the Special Purpose Financial Statements

Related Party Disclosures (contd.)

Year ended March 31, 2018

(b) transactions/ balances with above mentioned related parties (mentioned in note 21 (a) above)

Particulars	Equivalent ₹			
	I IPL	I DMCC	I DL	Total
<b>Balance</b>				
Equity Sharecapital	2,495,957			2,495,957
Interest Accrued and due and Short term borrowing	61,704,233			61,704,233
				-
Trade Payables	-	17,648,756	-	17,648,756
Short term advance payable		5,500,252	4,760,346	10,260,598
				-
				-
<b>Transactions</b>				-
				-
Interest Expenses	1,959,144			1,959,144

Year ended March 31, 2017

(b) transactions/ balances with above mentioned related parties (mentioned in note 21 (a) above)

Particulars	Equivalent ₹			
	I IPL	I DMCC	I DL	Total
<b>Balance</b>				
Interest Accrued and due	-			-
				-
Short-term Borrowings	59,711,114			59,711,114
				-
Trade Payables		17,642,688		17,642,688
Other Payable			1,307,863	1,307,863
				-
<b>Transactions</b>				-
				-
Interest Expenses	1,918,177			1,918,177
				-

**Sharjah General Services Company LLC (Khadamat)**  
**Notes forming part of the Special Purpose Financial Statements**

**21. Financial instruments**

**21.1 Capital management**

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. However there is no debt in the Company as at March 31, 2018 as there is no business operations in the Company. Once the Company starts its operation, it shall raise borrow and manage its capital accordingly.

**21.1.1 Gearing ratio**

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

Equivalent ₹

Particulars	As at March 31, 2018	As at March 31, 2017
Debt (i)	61,704,233	59,711,114
Cash and bank balances (including cash and bank balances in a disposal company held for sale)	1,978,358	476,948
Net debt	59,725,875	59,234,166
Equity (ii)	5,093,790	5,093,790
Net debt to equity ratio	11.73	11.63

Debt is defined as long-term, current maturity of long-term and short-term borrowings including interest accrued

Equity represent share capital of the company.

**21.2 Categories of financial instruments**

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Financial assets</b>		
Measured at amortised cost		
Cash and bank balances	1,978,358	476,948
Other financial Assets	88,244	88,214
Total	2,066,602	565,162
<b>Financial liabilities</b>		
Measured at amortised cost		
Trade payables	18,187,893	19,390,528
Other financial liabilities	71,964,831	64,476,608
Total	90,152,724	83,867,137

### **21.3 Financial risk management objectives**

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

### **21.4 Market risk**

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

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

### **21.5 Foreign currency risk management**

There has been no significant change to the Company's exposure to foreign currency risk Management.

#### **21.5.1 Foreign currency sensitivity analysis**

The company is not exposed to any foreign currency sensitivity analysis

#### **21.5.2 Forward foreign exchange contracts**

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

### **21.6 Interest rate risk management**

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

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

#### **21.6.1 Interest rate sensitivity analysis**

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

#### **21.6.2 Interest rate swap contracts**

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

### **21.7 Other price risks**

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

#### **28.1 Equity price sensitivity analysis**

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

### **21.8 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 Company has adopted a policy of only dealing with

Sharjah General Services Company LLC (Khadamat)  
Notes forming part of the Special Purpose Financial Statements

21.9 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium, and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

21.9.1 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	Equivalent ₹					
	March 31, 2018		31-Mar-17		01-Apr-15	
	Non-interest bearing	Fixed interest rate instruments	Non-interest bearing	Fixed interest rate instruments	Non-interest bearing	Fixed interest rate instruments
Weighted average effective interest rate (%)		3.50%		3.50%		3.50%
Less than 1 month						
1-3 months						
3 months to 1 year	18,187,893	61,704,233	19,390,528	66,170,938	18,423,615	32,743,567
1-5 years						
5+ years						
<b>Total</b>	<b>18,187,893</b>	<b>61,704,233</b>	<b>19,390,528</b>	<b>66,170,938</b>	<b>18,423,615</b>	<b>32,743,567</b>
<b>Carrying amount</b>	<b>18,187,893</b>	<b>61,704,233</b>	<b>19,390,528</b>	<b>64,476,608</b>	<b>18,423,615</b>	<b>30,623,701</b>

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	Equivalent ₹					
	March 31, 2018		March 31, 2017		April 1, 2015	
	Non-interest bearing	Fixed interest rate instruments	Non-interest bearing	Fixed interest rate instruments	Non-interest bearing	Fixed interest rate instruments
Weighted average effective interest rate (%)						
Less than 1 month						
1-3 months						
3 months to 1 year	2,066,602		565,162	-	4,071,121	
1-5 years						
5+ years						
<b>Total</b>	<b>2,066,602</b>	<b>-</b>	<b>565,162</b>	<b>-</b>	<b>4,071,121</b>	<b>-</b>
<b>Carrying amount</b>	<b>2,066,602</b>	<b>-</b>	<b>565,162</b>	<b>-</b>	<b>4,071,121</b>	<b>-</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.

21.10 Fair value measurements

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

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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

The management assessed the fair value of the cash and cash equivalents, trade receivable, trade payable, and other current liabilities approximate their carrying amounts largely due to short term maturity of these instruments, except for Fixed Term long term borrowings, and considered their in level 3 hierarchy of fair value

Equivalent ₹

	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Financial assets at amortised cost:				
- Other Financial Assets	88,244	88,244	88,214	88,214
- Cash and Cash equivalents	1,978,358	1,978,358	476,948	476,948
<b>Financial liabilities</b>				
Financial liabilities held at amortised cost:				
- loans from related parties	71,964,831	71,964,831	64,476,608	64,476,608
- trade payables	18,187,893	18,187,893	19,390,528	19,390,528

Fair value hierarchy as at March 31, 2018

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial assets at amortised cost:				
- Other Financial Assets			88,244	88,244
- Cash and Cash equivalents			1,978,358	1,978,358
<b>Total</b>	-	-	<b>2,066,602</b>	<b>2,066,602</b>
<b>Financial liabilities</b>				
Financial liabilities held at amortised cost:				
- loans from related parties			71,964,831	71,964,831
- trade payables			18,187,893	18,187,893
<b>Total</b>	-	-	<b>90,152,724</b>	<b>90,152,724</b>

**Sharjah General Services Company LLC (Khadamat)**  
**Notes forming part of the Special Purpose Financial Statements**

**22. Capital Commitments: NIL**

**23. Contingent liabilities and contingent assets: NIL**

**23.1 Contingent liabilities: NIL**

**23.2 Contingent assets: NIL**

**24. Events after the reporting period: NIL**

**25. Letter of support**

The Company is assured of continuing operational and financial support from its parent company, ITNL vide its letter dated May 2, 2018

**26. Audit of Last year Financials**

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

**27. Approval of financial statements:**

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

For SBRC & CO LLP  
Chartered Accountants  
ICAI Firm's Registration no. 324982E/E300003

For and on behalf of the Board

Per Nishant Mankodi  
Partner  
Membership No.

Director                      Director

Place : Mumbai  
Date :

Place: Dubai  
Date :