Independent Auditor's Report

To the Members of IRB Infrastructure Developers Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of IRB Infrastructure Developers Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2017, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in **"Annexure 1"** to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 34 to the consolidated Ind AS financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2017.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries incorporated in India during the year ended March 31, 2017.

iv. The Holding Company, subsidiaries incorporated in India, have provided requisite disclosures in Note 47 to these consolidated Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group entities and as produced to us by the Management of the Holding Company.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 34 subsidiaries, whose Ind AS financial statements include total assets of ₹ 525,025.67 millions and net assets of ₹ 102,647.34 millions as at March 31, 2017, and total revenues of ₹ 56,409.17 millions and net cash inflows of ₹ 388.35 millions for the year ended on that date, before giving effect to elimination of intra-group transactions. These financial statement and other financial information have not been jointly audited by us and have been audited either individually or by other auditors as the case may be and whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

For S.R. Batliboi & Co. LLP
ICAI FRN: 301003E/E300005
Chartered Accountants

per Amyn Jassani
Partner
Membership No.: 46447
Place: Mumbai
Date: May 30, 2017

For Gokhale & Sathe
ICAI FRN: 103264W
Chartered Accountants

per Jayant Gokhale
Partner
Membership No.: 33767
Place: Mumbai
Date: May 30, 2017

Annexure 1

To the Independent Auditor's Report of even date on the Consolidated Financial Statements of IRB Infrastructure Developers Limited

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

In conjunction with our audit of the consolidated financial statements of IRB Infrastructure Developers Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of IRB Infrastructure Developers Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these 34 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.

For S.R. Batliboi & Co. LLP
ICAI FRN: 301003E/E300005
Chartered Accountants

per Amyn Jassani
Partner
Membership No.: 46447
Place: Mumbai
Date: May 30, 2017

For Gokhale & Sathe
ICAI FRN: 103264W
Chartered Accountants

per Jayant Gokhale
Partner
Membership No.: 33767
Place: Mumbai
Date: May 30, 2017

Consolidated Balance Sheet

as at March 31, 2017

(₹ in millions)

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	4	2,412.10	2,698.20	2,834.75
Capital work-in-progress	4	609.70	784.05	804.02
Goodwill on consolidation	4	1,115.40	1,120.84	1,126.28
Other Intangible assets	4	240,350.05	347,669.15	313,676.54
Intangible assets under development	4	67,454.34	39,414.40	47,549.25
Financial assets				
i) Investments	5	8.01	7.81	8.20
ii) Loans	7	56.73	50.03	55.28
iii) Other financial assets	8	893.53	883.66	849.68
Deferred Tax Assets (net)	9	3,854.86	3,377.40	2,550.19
Other non-current assets	10	293.51	242.83	468.09
Total non-current assets		**317,048.23**	**396,248.37**	**369,922.28**
Current Assets				
Inventories	11	3,527.09	3,088.41	2,598.50
Financial assets				
i) Investments	5	1,450.87	354.65	372.88
ii) Trade receivables	6	704.73	86.63	58.38
iii) Cash and cash equivalents	12	2,309.80	2,764.32	4,096.50
iv) Bank balance other than (iii) above	12a	10,766.80	12,243.47	11,201.87
v) Loans	7	47.40	62.71	48.39
vi) Other financial assets	8	1,205.62	2,159.21	903.69
Current tax assets (net)	13	537.83	443.20	611.07
Other current assets	14	1,974.64	4,208.55	3,968.29
Total current assets		**22,524.78**	**25,411.15**	**23,859.57**
Assets classified as held for sale	31	126,835.70	-	-
Total assets		**466,408.71**	**421,659.52**	**393,781.85**

Consolidated Balance Sheet

as at March 31, 2017

(₹ in millions)

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	3,514.50	3,514.50	3,514.50
Other equity				
Securities premium	16	14,060.09	14,060.09	14,060.09
Other reserves	16	35,141.39	30,788.33	26,931.74
Equity attributable to equityholders of the parent		**52,715.98**	**48,362.92**	**44,506.33**
Non-controlling interests		-	355.00	350.51
Total equity		**52,715.98**	**48,717.92**	**44,856.84**
Non-current liabilities				
Financial liabilities				
i) Borrowings	17	120,896.71	132,839.69	111,177.92
ii) Other financial liabilities	19	158,755.58	206,115.69	211,616.75
Provisions	20	841.29	1,278.19	900.20
Deferred tax liabilities (net)	9	-	42.17	102.91
Total non-current liabilities		**280,493.58**	**340,275.74**	**323,797.78**
Current liabilities				
Financial liabilities				
i) Borrowings	17	9,308.01	11,887.13	6,290.55
ii) Trade payables	18	4,506.80	3,087.92	2,248.51
iii) Other financial liabilities	19	13,114.68	16,630.88	15,691.85
Provisions	20	86.72	92.00	41.37
Other current liabilities	21	3,632.23	669.50	457.79
Current tax liabilities (net)	22	491.96	298.43	397.16
Total current liabilities		**31,140.40**	**32,665.86**	**25,127.23**
Liabilities directly associated with assets classified as held for sale	31	102,058.75	-	-
Total liabilities		**413,692.73**	**372,941.60**	**348,925.01**
Total equity and liabilities		**466,408.71**	**421,659.52**	**393,781.85**
Summary of significant accounting policies	3			

The accompanying notes are an integral part of these Consolidated financial statements.

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per Amyn Jassani
Partner
Membership No.: 46447

For Gokhale & Sathe
Chartered Accountants
ICAI Firm Registration No.: 103264W

per Jayant Gokhale
Partner
Membership No.: 33767

Place: Mumbai
Date: May 30, 2017

For and on behalf of the Board of Directors of
IRB Infrastructure Developers Limited

Virendra D. Mhaiskar
Chairman and Managing Director
DIN: 00183554

Deepali V. Mhaiskar
Director
DIN: 00309884

Anil D. Yadav
Chief Financial Officer

Mehul Patel
Company Secretary

Place: Mumbai
Date: May 30, 2017

Consolidated Statement of Profit and Loss Account

for the year ended March 31, 2017

(₹ in millions)

Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Income			
Revenue from operations	23	58,459.36	51,279.45
Other income	24	1,231.72	1,271.61
Total income		**59,691.08**	**52,551.06**
Expenses			
Cost of material consumed		2,682.90	3,712.98
Road work and site expenses	25	20,183.90	16,825.33
Employee benefits expenses	26	2,726.19	2,465.06
Depreciation and amortisation expenses	27	8,547.90	8,533.43
Finance costs	28	13,327.25	10,639.18
Other expenses	29	2,383.51	1,673.47
Total expenses		**49,851.65**	**43,849.45**
Profit before tax		**9,839.43**	**8,701.61**
Tax expenses			
Current tax	30	3,672.74	3,164.49
Deferred tax	30	(987.52)	(858.24)
Total tax expenses		**2,685.22**	**2,306.25**
Profit after tax		**7,154.21**	**6,395.36**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement of gains/(losses) on defined benefit plans (net of tax)		(9.82)	3.73
Other comprehensive income/(loss) for the year, net of tax		**(9.82)**	**3.73**
Total comprehensive income/(loss) for the year, net of tax:		**7,144.39**	**6,399.09**
Profit for the year		**7,154.21**	**6,395.36**
Attributable to:			
Equity holders		**7,154.74**	**6,390.87**
Non-controlling interests		(0.53)	4.49
Earnings per equity share	32		
Basic (Face value ₹ 10/- each)		20.36	18.18
Diluted (Face value ₹ 10/- each)		20.36	18.18
Summary of significant accounting policies	3		

The accompanying notes are an integral part of these Consolidated financial statements.

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per Amyn Jassani
Partner
Membership No.: 46447

For Gokhale & Sathe
Chartered Accountants
ICAI Firm Registration No.: 103264W

per Jayant Gokhale
Partner
Membership No.: 33767

Place: Mumbai
Date: May 30, 2017

For and on behalf of the Board of Directors of
IRB Infrastructure Developers Limited

Virendra D. Mhaiskar
Chairman and Managing Director
DIN: 00183554

Deepali V. Mhaiskar
Director
DIN: 00309884

Anil D. Yadav
Chief Financial Officer

Mehul Patel
Company Secretary

Place: Mumbai
Date: May 30, 2017

Consolidated Statement of Changes in Equity

for the year ended March 31, 2017

(₹ in millions)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a.	**Equity Share Capital**			
	Equity shares of ₹ 10 each issued, subscribed and fully paid			
	At the beginning of the year	3,514.50	3,514.50	3,514.50
	Changes during the year	-	-	-
	At the end of the year	**3,514.50**	**3,514.50**	**3,514.50**

b. Other Equity

(₹ in millions)

	Reserves and surplus				Items of Other comprehensive income (OCI)	Non Controlling Interest	Total
	Securities Premium	Capital Reserve	General reserve	Retained earnings	Re-measurement of net defined benefit plans		
As at April 1, 2015	**14,060.09**	**1,284.31**	**1,946.12**	**23,350.79**	**-**	**350.51**	**40,991.83**
Profit/(loss) for the year	-	-	-	6,386.38	-	4.48	6,390.86
Other comprehensive income for the year	-	-	-	-	3.73	-	3.73
Total comprehensive income for the year	**-**	**-**	**-**	**6,386.38**	**3.73**	**4.48**	**6,394.59**
Interim equity dividend	-	-	-	(2,108.70)	-	-	(2,108.70)
Tax on interim equity dividend	-	-	-	(429.29)	-	-	(429.29)
As at March 31, 2016	**14,060.09**	**1,284.31**	**1,946.12**	**27,199.18**	**3.73**	**355.00**	**44,848.43**
Profit/(loss) for the year	-	-	-	7,155.28	-	(0.54)	7,154.74
Other comprehensive income for the year	-	-	-	-	(9.82)		(9.82)
Total comprehensive income for the year	**-**	**-**	**-**	**7,155.28**	**9.82)**	**(0.54)**	**7,144.92**
Interim equity dividend	-	-	-	(702.90)	-	-	(702.90)
Tax on interim equity dividend	-	-	-	(143.09)	-	-	(143.09)
Acquisition of Non-controlling interests	-	-	-	(1,591.42)	-	(354.46)	(1,945.88)
As at March 31, 2017	**14,060.09**	**1,284.31**	**1,946.12**	**31,917.05**	**(6.09)**	**-**	**49,201.48**

Summary of significant accounting policies (refer note 3)

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per Amyn Jassani
Partner
Membership No.: 46447

For Gokhale & Sathe
Chartered Accountants
ICAI Firm Registration No.: 103264W

per Jayant Gokhale
Partner
Membership No.: 33767

Place: Mumbai
Date: May 30, 2017

For and on behalf of the Board of Directors of
IRB Infrastructure Developers Limited

Virendra D. Mhaiskar
Chairman and Managing Director
DIN: 00183554

Deepali V. Mhaiskar
Director
DIN: 00309884

Anil D. Yadav
Chief Financial Officer

Mehul Patel
Company Secretary

Place: Mumbai
Date: May 30, 2017

Consolidated Statement of Cash Flows

for the year ended March 31, 2017

(₹ in millions)

Particulars		March 31, 2017	March 31, 2016
Cash flow from operating activities			
Profit before tax		9,839.43	8,701.61
Adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortisation		8,547.90	8,533.43
Resurfacing expenses		683.52	367.21
Net (gain) on sale of property, plant and equipment		(9.93)	(0.13)
Fair value gain on mutual funds		(18.30)	(1.42)
Net (gain) on sale of Investment		(54.28)	(20.95)
Finance cost		13,327.25	10,639.17
Interest income on fixed deposits		(1,012.17)	(1,026.06)
Interest income on others		(70.33)	(84.04)
Dividend income		(66.71)	(103.35)
Operating profit before working capital changes		**31,166.38**	**27,005.47**
Movement in working capital:			
Increase/(decrease) in trade payables		1,544.29	839.41
Increase/(decrease) in provisions		1.66	65.12
Increase/(decrease) in other financial liabilities		661.17	203.11
Increase/(decrease) in other liabilities		43.10	211.72
Decrease/(increase) in trade receivables		(626.79)	(28.24)
Decrease/(increase) in inventories		(438.68)	(489.91)
Decrease/(increase) in loans		7.23	(9.07)
Decrease/(increase) in other financial assets		730.17	(1,258.81)
Decrease/(increase) in other assets		2,110.31	(15.01)
Cash generated from operations		**35,198.84**	**26,523.79**
Taxes paid (net)		(3,105.95)	(3,125.06)
Net cash flow from operating activities	**(A)**	**32,092.89**	**23,398.73**
Cash flows from investing activities			
Purchase of property, plant and equipment including CWIP, intangible assets including intangible assets under development and capital advances		(27,799.71)	(31,591.03)
Proceeds from sale of property, plant and equipment		9.93	0.13
Proceeds from sale of non-current investments		72.34	22.75
Purchase of non-current investments		(2,389.00)	-
Proceeds from sale/ (purchase) of current investments		(1,384.89)	18.22
Investments in bank deposits (having original maturity of more than three months) (Net)		419.13	(1,041.58)
Interest received		1,023.32	1,048.37
Dividend received		66.71	103.35
Net cash flow (used in) investing activities	**(B)**	**(29,982.17)**	**(31,439.79)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2017

(₹ in millions)

Particulars		March 31, 2017	March 31, 2016
Cash flows from financing activities			
Proceeds from non-current borrowings		37,602.33	29,385.76
Repayment of non-current borrowings		(18,684.57)	(11,380.94)
Proceeds/(Repayment) of current borrowings (net)		(2,579.12)	5,596.58
Finance cost paid		(17,508.91)	(14,354.54)
Dividend paid on equity shares		(702.90)	(2,108.70)
Tax on equity dividend paid		(143.09)	(429.29)
Net cash flows from/(used in) Financing activities	**(C)**	**(2,016.26)**	**6,708.87**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		94.47	(1,332.18)
Cash and cash equivalents at the beginning of the year		2,764.32	4,096.50
Cash and cash equivalents at the end of the year (refer note 12)		**2,858.79**	**2,764.32**

Notes :

1. All figures in bracket are outflow.
2. Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
3. The Consolidated cash flow statement has been prepared under Indirect Method as per Ind AS 7 "Statement of Cash Flows".
4. The Company can utilise the balances only towards settlement of the respective unpaid dividend.

Summary of significant accounting policies (refer note 3)

The accompanying notes are an integral part of these Consolidated financial statements.

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per Amyn Jassani
Partner
Membership No.: 46447

For Gokhale & Sathe
Chartered Accountants
ICAI Firm Registration No.: 103264W

per Jayant Gokhale
Partner
Membership No.: 33767

Place: Mumbai
Date: May 30, 2017

For and on behalf of the Board of Directors of
IRB Infrastructure Developers Limited

Virendra D. Mhaiskar
Chairman and Managing Director
DIN: 00183554

Deepali V. Mhaiskar
Director
DIN: 00309884

Anil D. Yadav
Chief Financial Officer

Mehul Patel
Company Secretary

Place: Mumbai
Date: May 30, 2017

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

1. Corporate Information

The Consolidated Financial Statements comprise of financial statements of IRB Infrastructure Developers Limited ('the Company' or 'the Holding Company') and its subsidiaries (collectively, "the Group") for the year ended March 31, 2017. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its share are listed on two recognised stock exchanges in India. The registered office is located at IRB Complex, Chandivli Farm, Chandivli Village, Andheri (E), Mumbai -72, Maharashtra.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 30, 2017.

2. Basis of preparation

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

For all periods up to and including the year ended March 31, 2016, the Group has prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP'). These financial statements for the year ended 31 March 2017 are the first Group has prepared in accordance with Ind AS. Refer to Note 52 for information on how the Group adopted Ind AS.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value.

The consolidated financial statements are presented in Indian Rupee ('INR') which is also the Group's functional currency and all values are rounded to the nearest millions, except when otherwise indicated. Wherever the amount represented '0' (zero) construes value less than Rupees five thousand.

3. Summary of significant accounting policies

3.01 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries are entities controlled by the Group. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of each of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March.

Consolidation procedure:

i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full, except as stated in point (iv). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

iv. The Build, Operate and Transfer (BOT) / Design, Build, Finance, Operate and Transfer (DBFOT) contracts

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

are governed by Service Concession Agreements with government authorities (grantor). Under these agreements, the operator does not own the road, but gets "toll collection rights" against the construction services rendered. Since the construction revenue earned by the operator is considered as exchanged with the grantor against toll collection rights, revenue is recognised at fair value of construction services rendered and profit from such contracts is considered as realised.

Accordingly, BOT / DBFOT contracts awarded to group companies (operator), where work is subcontracted to fellow subsidiaries, the intra group transactions on BOT / DBFOT contracts and the profits arising thereon are taken as realised and not eliminated.

v. Non-controlling interests in the net assets of consolidated subsidiaries consists of :

a) The amount of equity attributed to non-controlling interests at the date on which investment in a subsidiary relationship came into existence;

b) The non-controlling interest share of movement in equity since the date parent subsidiary relationship came into existence;

c) Non-controlling interest share of net profit/ (loss) of consolidated subsidiaries for the year is identified and adjusted against the profit after tax of the Group.

vi. The following entities are considered in the Consolidated Financial Statements listed below:

Sr. No.	Name of Entity	Principal nature of activity	Proportion of ownership interest either directly or indirectly		
			As on March 31, 2017	As on March 31, 2016	As on April 1, 2015
	Subsidiaries and sub-subsidiaries:				
1	Ideal Road Builders Private Limited (IRBPL)	Infrastructure	100%	100%	100%
2	Mhaiskar Infrastructure Private Limited (MIPL)	Infrastructure	100%	100%	100%
3	Modern Road Makers Private Limited (MRMPL)	Infrastructure	100%	100%	100%
4	Aryan Toll Road Private Limited (ATRPL)	Infrastructure	100%	100%	100%
5	ATR Infrastructure Private Limited (ATRFL)	Infrastructure	100%	100%	100%
6	IRB Infrastructure Private Limited (IRBFL)	Infrastructure	100%	100%	100%
7	Thane Ghodbunder Toll Road Private Limited (TGTRPL)	Infrastructure	100%	100%	100%
8	IDAA Infrastructure Private Limited (IDAA)	Infrastructure	100%	100%	100%
9	Aryan Infrastructure Investments Private Limited (AIIPL)	Land Bank	100%	66%	66%
10	NKT Road and Toll Private Limited (NKT)	Infrastructure	100%	100%	100%
11	MMK Toll Road Private Limited (MMK) (Subsidiary of IRBPL)	Infrastructure	100%	100%	100%
12	IRB Surat Dahisar Tollway Private Limited (IRBSD)	Infrastructure	100%	100%	100%
13	IRB Kolhapur Integrated Road Development Company Private Limited (IRBK)	Infrastructure	100%	100%	100%
14	Aryan Hospitality Private Limited (AHPL)	Infrastructure	100%	100%	100%
15	IRB Sindhudurg Airport Private Limited (IRBSA)	Infrastructure	100%	100%	100%
16	IRB Pathankot Amritsar Toll Road Private Limited (IRBPA)	Infrastructure	100%	100%	100%
17	IRB Talegaon Amravati Tollway Private Limited (IRBTA)	Infrastructure	100%	100%	100%
18	IRB Jaipur Deoli Tollway Private Limited (IRBJD)	Infrastructure	100%	100%	100%

Sr. No.	Name of Entity	Principal nature of activity	Proportion of ownership interest either directly or indirectly		
			As on March 31, 2017	As on March 31, 2016	As on April 1, 2015
19	IRB Goa Tollway Private Limited (IRB Goa)	Infrastructure	100%	100%	100%
20	IRB Tumkur Chitradurga Tollway Private Limited (IRBTC)	Infrastructure	100%	100%	100%
21	MRM Highways Private Limited (Formerly "MRM Cement Private Limited") (Subsidiary of MRMPL)	Infrastructure	100%	100%	100%
22	IRB Ahmedabad Vadodara Super Express Tollway Private Limited (IRBAV)	Infrastructure	100%	100%	100%
23	MRM Mining Private Limited (Formerly "J J Patel Infrastructural and Engineering Private Limited") (Subsidiary of MRMPL)	Infrastructure	100%	100%	100%
24	IRB Westcoast Tollway Private Limited (IRB Westcoast)	Infrastructure	100%	100%	100%
25	MVR Infrastructure and Tollways Private Limited (MVR)	Infrastructure	100%	74%	74%
26	Solapur Yedeshi Tollway Private Limited (SYTPL)	Infrastructure	100%	100%	100%
27	Yedeshi Aurangabad Tollway Private Limited (YATPL)	Infrastructure	100%	100%	100%
28	Kaithal Tollway Private Limited (KTPL)	Infrastructure	100%	100%	100%
29	AE Tollway Private Limited (AETPL)	Infrastructure	100%	100%	-
30	Zozila Tunnel Project Private Limited (ZTPL)	Infrastructure	100%	100%	-
31	Udaipur Tollway Private Limited (UTPL) w.e.f October 6, 2016	Infrastructure	100%	-	-
32	CG Tollway Private Limited (CGTPL) w.e.f October 18, 2016	Infrastructure	100%	-	-
33	Kishangarh Gulabpura Tollway Private Limited (KGTPL) w.e.f. January 12, 2017	Infrastructure	100%	-	-
34	Modern Estate - Partnership Firm	Infrastructure	100%	-	-

All the above entities are incorporated in India.

3.02 Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has exercised exemption and elected not to apply Ind AS accounting for business combinations retrospectively.

The excess of cost to the group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the Consolidated Financial Statements. This Goodwill is tested for impairment at the close of each financial year. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

3.03 Current versus non-current classification

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

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

3.04 Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by each entity in the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Exchange difference arising on non-current foreign currency monetary items related to acquisition of fixed assets are added/deducted from the cost of asset and amortised along with the construction cost.

The Group adjusts exchange differences arising on translation/settlement of non-current foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset as the Group continues the policy under the Previous GAAP since it avails exemption under para D13AA of Ind AS 101.

3.05 Fair value measurement

The Group measures financial instruments, (refer note 43) 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, is the most advantageous market for the asset or liability

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

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 Group 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group 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.

The Group's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the Management present the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group 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.

Disclosures for valuation methods, significant estimates and assumptions (note 43 and 44)

Financial instruments (including those carried at amortised cost) (note 5,6,7,8,12,17,18, 19, 43 and 44)

Quantative disclosure of fair value measurement hierarchy (note 44)

3.06 Revenue recognition

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

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

Contract revenue (construction contracts)

Contract revenue and contract cost associated with the construction of road are recognised as revenue and expenses respectively by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed upto the balance sheet date bear to the estimated total contract costs. Where the outcome of the construction cannot be estimated reliably, revenue is recognised to the extent of the construction costs incurred if it is probable that they will be recoverable. If total cost is estimated to exceed total contract revenue, the Group provides for foreseeable loss. Contract revenue earned in excess of billing has been reflected as unbilled revenue and billing in excess of contract revenue has been reflected as unearned revenue.

Group's operations involve levying of VAT on the construction work. Sales tax/ value added tax (VAT) is not received by the Group on its own account.

Operation and maintenance contracts

Revenue from maintenance contracts are recognised on pro-rata basis over the period of the contract as and when services are rendered.

Income from toll contracts

The income from Toll Contracts on BOT basis are recognised on actual collection of toll revenue (net of revenue share payable to NHAI) as per Concession Agreement.

Toll collection charges

Revenue is recognised on actual collection of toll revenue (net of amount paid to NHAI) as per the Supplementary agreement with NHAI.

Revenue from trading sales

Revenue from sale of goods is recognised in Statement of Profit and Loss when the significant risks and rewards in respect of ownership of the goods has been transferred to

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

the buyer as per the term of the respective sales order, and the income can be measured reliably and is expected to be received. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, cash discounts and volume rebates.

Revenue from wind-mill power generation (Sale of electricity).

Revenue from wind-mill power generation is recognised when the electricity is delivered to electricity distribution Company at a common delivery point and the same is measured on the basis of meter reading.

Accounting for Claim

Claims are recognised as income to the extent it is measurable and it is not unreasonable to expect ultimate collection.

Interest income

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

Dividends

Dividend is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

3.07 Government Grants

Grants and subsidies from the Government are recognised when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant / subsidy will be received.

Grant received are considered as a part of the total outlay of the construction project and accordingly, the same is reduced from the gross value of assets.

3.08 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the country where the Group operates and generates taxable income.

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 returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

  Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction. affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in statement of profit and loss.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Group will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.09 Property, plant and equipment

The Group exercised first time adoption under Ind AS 101 and has elected to continue with the carrying value of its “Property, plant and equipment" including corresponding obligation, as recognised in the financial statements as at the date of transition measured as per the previous GAAP and uses that as its deemed cost as at date of transition.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.Any trade discount or rebates are deducted in arriving at the purchase price.

Depreciation is calculated on written down value method (WDV) using the useful lives as prescribed under the Schedule II to the Companies Act, 2013 or re-assessed by the Group. The Group has estimated the following useful lives for its tangible fixed assets:

Asset class	Useful life
Building	30 years
Plant & Machinery	9 years - 15 years
Office equipment	5 years
Computers	3 years
Servers	6 years
Vehicles	8 years
Furniture & fixtures	10 years

3.10 Intangible assets

The Group exercised first time adoption under Ind AS 101 and has elected to continue with the carrying value of its “Toll Collection Rights” (Intangible Assets) including corresponding obligation, as recognised in the financial statements as at the date of transition measured as per the previous GAAP and uses that as its deemed cost as at date of transition.

Toll collection rights are stated at cost, less accumulated amortisation and impairment losses if any. Cost includes:

a) For acquired Toll Collection Rights - Upfront payments towards acquisition and incidental expenses related thereto.

b) Toll Collection Rights are awarded by the grantor against construction service rendered by the

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Group on BOT / DBFOT basis - Direct and indirect expenses on construction of roads, bridges, culverts, infrastructure and other assets at the toll plazas.

c) Toll Collection Rights in lieu of premium - Undiscounted premium obligation over the concession period.

Amortisation

Toll Collection Rights are amortised over the period of concession, using revenue based amortisation as prescribed in the Schedule II to the Companies Act, 2013. Under this method, the carrying value of the rights is amortised in the proportion of actual toll revenue for the year to projected revenue for the balance toll period, to reflect the pattern in which the assets economic benefits will be consumed. At each balance sheet date, the projected revenue for the balance toll period is reviewed by the management. If there is any change in the projected revenue from previous estimates, the amortisation of toll collection rights is changed prospectively to reflect any changes in the estimates.

Intangible assets under development

Expenditure related to and incurred during implementation of project are included under "Intangible Assets under Development". The same will be transferred to the respective intangible assets on completion of project.

3.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.12 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the group is classified as a finance lease.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

3.13 Inventories

Inventories are valued as follows:

Construction materials, components, stores, spares and tools

Lower of cost and net realisable value. Cost is determined on first in first out basis and includes all applicable costs in bringing goods to their present location and condition.

Work-in-progress and finished goods

Lower of cost and net realisable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weigted average basis.

Net realisable value is the estimated contract price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to complete the contract.

Land

Land of real estate business are valued at lower of cost and net realisable value.

Cost includes land, cost of acquisition, legal cost and all other cost to transfer the legal and beneficial ownership of land in the name of the Group.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.14 Assets held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3.15 Provisions

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

3.16 Premium Deferment

Premium Deferral (i.e. premium payable less paid after adjusting premium deferment) is aggregated under premium deferred obligation in the balance sheet. The interest payable on the above is aggregated under premium deferral obligation. Interest on premium deferral is capitalised during the construction period and thereafter charged to the statement of profit and loss.

3.17 Resurfacing expenses

As per the Concession Agreement, the Group is obligated to carry out resurfacing of the roads under concession. The Group estimates the likely provision required towards resurfacing and accrues the cost on a straight line basis over the period at the end of which resurfacing would be required, in the statement of profit and loss in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets."

3.18 Contigent Liability and Contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

3.19 Retirement and other employee benefits

i. Defined contribution plan

Retirement benefits in the form of provident fund, Pension Fund and Employees state Insurance Fund are a defined contribution scheme and the contributions are charged to the Statement of profit and loss of the period when the employee renders related services. There are no other obligations other than the contribution payable to the respective authorities.

ii. Defined benefit plan

Gratuity liability for eligible employees are defined benefit obligation and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Obligation is measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the balance sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation.

Remeasurements, comprising of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

  Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

iii. Leave encashment

As per the leave encashment policy of the Group, the employees have to utilise their eligible leave during the calendar year and lapses at the end of the calendar year. Accrual towards compensated absences at the end of the financial year are based on last salary drawn and outstanding leave absence at the end of the financial year.

3.20 Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Debt instruments at amortised cost

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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 statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit and loss.Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as at FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The group has designated certain debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-byinstrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Derecognition

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind AS 17

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as contractual revenue receivables' in these financial statements)
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

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

- Trade receivables; and
- Other receivables

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

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument. -
- Cash flows from The sale of collateral held or other credit enhancements that are integral to The contractual terms
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer note 17.

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.21 Derivative instrument

The Group uses derivative financial instruments, such as interest rate swaps to hedge its interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

3.22 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise's of 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, as they are considered an integral part of the Group's cash management.

3.23 Cash dividend to equity holders of the Company

The Group recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.24 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset. unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group’s CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

3.25 Segment information

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Management evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

3.26 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.27 Standard issued but not effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. The amendments are applicable to the Group from April 01, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financial activities, to meet the disclosure requirement.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards that include a net settlement feature in respect of withholding taxes.

The Group is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Note 4 : Property, Plant and Equipment and Capital work-in-progress

(₹ in millions)

	Land	Building	Plant and Machinery	Office Equipments	Computer	Vehicles	Furniture and Fixture	Capital work in progress	Total
Cost or deemed cost									
At 1 April 2015	85.42	277.96	2,233.52	25.91	33.64	128.95	49.35	804.02	3,638.77
Additions	15.23	43.23	363.05	9.73	12.92	67.40	13.54	-	525.10
Disposals/Adjustments	-	-	(52.64)	(10.02)	(30.78)	(30.81)	(3.17)	(19.97)	(147.39)
At 31 March 2016	**100.65**	**321.19**	**2,543.93**	**25.62**	**15.78**	**165.54**	**59.72**	**784.05**	**4,016.48**
Additions	-	51.47	87.91	5.84	60.79	129.11	2.83	-	337.95
Disposals/Adjustments	-	-	(1.12)	-	(1.14)	(54.77)	-	(174.35)	(231.38)
Assets held for sale (refer note 31)	(9.86)	-	(1.05)	(5.79)	(0.72)	(4.04)	(3.03)	-	(24.49)
At 31 March 2017	**90.79**	**372.66**	**2,629.67**	**25.67**	**74.71**	**235.84**	**59.52**	**609.70**	**4,098.56**
Depreciation									
Additions	-	60.70	491.01	13.89	19.93	47.54	16.21	-	649.28
Disposals/Adjustments	-	-	(44.49)	(9.48)	(29.50)	(28.80)	(2.78)	-	(115.05)
At 31 March 2016	**-**	**60.70**	**446.52**	**4.41**	**(9.57)**	**18.74**	**13.43**	**-**	**534.23**
At 1 April 2015									
Additions	-	42.56	433.15	10.94	34.70	86.53	12.88	-	620.76
Disposals/Adjustments	-	-	(1.03)	-	(0.56)	(64.03)	(0.10)	-	(65.72)
Assets held for sale (refer note 31)	-	-	(0.60)	(5.24)	(0.66)	(3.59)	(2.42)	-	(12.51)
At 31 March 2017	**-**	**103.26**	**878.04**	**10.11**	**23.91**	**37.65**	**23.79**	**-**	**1,076.76**
Net Book value									
At 31 March 2017	**90.79**	**269.40**	**1,751.63**	**15.56**	**50.80**	**198.19**	**35.73**	**609.70**	**3,021.80**
At 31 March 2016	100.65	260.49	2,097.41	21.21	25.35	146.80	46.29	784.05	3,482.25
At 1 April 2015	85.42	277.96	2,233.52	25.91	33.64	128.95	49.35	804.02	3,638.77

Net Book value	March 31, 2017	March 31, 2016	April 1, 2015
Property, Plant and Equipment	2,412.10	2,698.20	2,834.75
Capital work-in-progress	609.70	784.05	804.02

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Note 4 : Intangible Assets and Intangible Assets under development

Intangible Assets

(₹ in millions)

	Goodwill	Toll Collection Rights	Intangible Assets under development	Total
Cost or deemed cost				
At 1 April 2015				
Opening Balance	1,126.28	313,676.54	47,549.25	362,352.07
Additions	-	42,030.65	33,895.80	75,926.45
Deletions	-	-	(42,030.65)	(42,030.65)
Adjustments	-	729.32	-	729.32
At 31 March 2016	**1,126.28**	**354,977.87**	**39,414.40**	**395,518.55**
Additions	-	25,265.24	28,292.78	53,558.02
Deletions	-	(426.91)	(217.05)	(643.96)
Assets held for sale (refer note 31)	-	(133,500.57)	(35.79)	(133,536.36)
At 31 March 2017	**1,126.28**	**246,315.63**	**67,454.34**	**314,896.25**
Amortisation				
At 1 April 2015				
Additions	5.44	7,878.71	-	7,884.15
Deletions	-	(642.17)	-	(642.17)
Adjustments	-	72.18	-	72.18
At 31 March 2016	**5.44**	**7,308.72**	**-**	**307,582.09**
Additions	5.44	7,921.70	-	7,927.14
Deletions	-	(214.24)	-	(214.24)
Assets held for sale (refer note 31)	-	(9,050.60)	-	(9,050.60)
At 31 March 2017	**10.88**	**5,965.58**	**-**	**308,919.79**
Net Book value				
At 31 March 2017	**1,115.40**	**240,350.05**	**67,454.34**	
At 31 March 2016	1,120.84	347,669.15	39,414.40	
At 1 April 2015	1,126.28	313,676.54	47,549.25	

	March 31, 2017	March 31, 2016	April 1, 2015
Goodwill	1,115.40	1,120.84	1,126.28
Toll collection rights	240,350.05	347,669.15	313,676.54
Intangible assets under development	67,454.34	39,414.40	47,549.25

Notes:

1. Plant & Machinery includes aircraft which has gross block of ₹ 1,315.16 millions (March 31, 2016 ₹ 1,315.16 millions, April 1, 2015 ₹ 1,304.79 millions) and written down value of ₹ 497.75 millions (March 31, 2016 ₹ 577.77 millions, April 1, 2015 ₹ 659.11 millions).
2. Goodwill ₹ 1,115.57 millions (March 31, 2016 ₹ 1,115.57 millions, April 1, 2015 ₹ 1,115.57 millions) is on account of consolidation of subsidiaries.
3. During the year, exchange loss/(gain) differences to the extent of ₹ 261.20 millions (March 31, 2016 ₹ 620.02 millions, April 1, 2015 ₹ 430.96 millions) has been capitalised to intangible assets under development.
4. Grant received/receivable from NHAI amounting to ₹ 7,437.79 millions (March 31, 2016 ₹ Nil/-, April 1, 2015 ₹ 289.48 millions) has been deducted from Intangible assets under development.
5. Interest cost amounting to ₹ 4,896.90 millions (March 31, 2016 ₹ 3,987.08 millions, April 1, 2015 ₹ 3,920.47 millions) has been capitalised as per Ind AS -23 for Intangible assets and Intangible assets under development.
6. Net block of Toll Collection Rights includes unamortised portion of Toll Collection Rights in lieu of premium of ₹ 212,539.12 millions (March 31, 2016 ₹ 214,348.18 millions, April 1, 2015 ₹ 217,346.83 millions)
7. Tangible and Intangible assets are subject to first charge to secured long-term borrowings from the lenders.
8. Company has determined that goodwill on account of acquisition of subsidiaries has indefinite useful life. As at March, 2017 it is tested for impairment. The recoverable amount has been determined based on a value in use by calculating cash flow projections from financial projects. It was concluded that the fair value exceeds the value in use.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

(₹ in millions)

Particulars	March 31, 2017				March 31, 2016			April 1, 2015		
	Face Value	No of Shares/ Units	Current	Non-current	No of Shares/ Units	Current	Non-current	No of Shares/ Units	Current	Non-current
FINANCIAL ASSETS										
Note 5 : Investments										
a) Investment in equity instruments (quoted)										
Fair Value Through Profit and Loss (FVTPL)										
- Union Bank of India	10	9,177	-	1.43	9,177	-	1.20	9,177	-	1.44
	-	-	-	**1.43**	-	-	**1.20**		-	**1.44**
b) Investments in Government or trust securities (unquoted) (at amortised cost)										
National saving certificates	-	-	-	0.17	-	0.05	0.21	-	-	0.26
	-	-	-	**0.17**	-	**0.05**	**0.21**		-	**0.26**
c) Other investments										
Unquoted (at amortised cost)										
Indian Highways Management Company Limited	10	555,370	-	5.55	555,370	-	5.55	555,370	-	5.55
Kalyan Janta Sahakari Bank Limited	10	70,100	0.10	0.60	70,100	0.10	0.60	70,100	-	0.70
Dombivali Nagri Sahakari Bank Limited	50	4,000	-	0.20	4,000	-	0.20	4,000	-	0.20
Janta Sahakari Bank	25	2,000	-	0.06	2,000	-	0.05	2,000	-	0.05
Sangali Urban Bank	15	2	-	-	2	-	-	2	-	-
Deemed investments	-	-	-	-	-	288.60	-	-	288.60	-
Purti Power and Sugar Limited	10	1,850,000	-	0.00	1,850,000	-	0.00	1,850,000	-	0.00
			0.10	**6.41**		**288.70**	**6.40**		**288.60**	**6.50**
d) Investments in Mutual Funds										
Quoted investments - Fair Value Through Profit and Loss (FVTPL)										
Canara Robeco Capital Protection Oriented Fund-Series 3		6,084,038	60.84	-	4,999,990	55.74	-	4,999,990	52.11	-
Canara Robeco Short Term Fund-Regular Growth		-	-	-	-	-	-	201,831	3.15	-
Canara Robeco Capital Protection Oriented Fund- Series 6 Regular Growth		1,119,769	11.20	-	-	-	-	-	-	-
Canara Robeco Capital Protection Oriented Fund-Series 6		1,038,270	10.38	-	999,990	10.16	-	-	-	-
Union KBC Small & Midcap Fund Regular Plan - Growth			-	-	-	-	-	249,990	3.04	-
Union KBC Asset Allocation Fund - Growth		-	-	-	-	-	-	20,050	0.26	-
LIC Nomura MF Savings Plus Fund - Daily Dividend		-	-	-	-	-	-	2,398,489	24.37	-
ICICI Prudential Liquid - Direct Plan - Daily Dividend		-	-	-	-	-	-	5,828	0.58	-
Birla Sun Life Cash Plus - Growth Direct Plan		630,607	6.31	-	-	-	-	-	-	-
Kotak Treasury Advantage Fund - Daily Dividend		-	-	-	-	-	-	76,336	0.77	-
PNB Principal Mutual Fund		35,178,974	1,011.98	-	-	-	-	-	-	-
SBI Magnum Insta Cash Fund – Direct Plan– Daily Dividend		208,989	350.06	-	-	-	-	-	-	-
			1,450.77	-		**65.90**	-		**84.28**	-
Total (a+b+c+d)	-	-	**1,450.87**	**8.01**	-	**354.65**	**7.81**	-	**372.88**	**8.20**
Aggregate book value of quoted investments	-	-	1,432.90	1.01	-	64.68	1.01	-	80.03	1.01
Market value of quoted investments	-	-	1,450.77	1.43	-	65.90	1.20	-	84.28	1.44
Aggregate amount of unquoted investments	-	-	0.10	6.58	-	288.75	6.61	-	288.60	6.76
Aggregate amount of impairment in value of investments	-	-	-	-	-	-	-	-	-	-

Refer note 43 for determination of fair value of investments

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

(₹ in millions)

	March 31, 2017	March 31, 2016	April 1, 2015
Note 6 : Trade receivable			
Unsecured, considered good unless otherwise stated			
Others	704.73	86.63	58.38
Total	**704.73**	**86.63**	**58.38**
Less: Allowances for expected credit loss/bad and doubtful debt	-	-	-
Total	**704.73**	**86.63**	**58.38**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person.

(₹ in millions)

	March 31, 2017		March 31, 2016		April 1, 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Note 7 : Loans						
(Unsecured, considered good, unless otherwise stated)						
Loans to employees	46.85	56.73	62.71	50.03	48.39	55.28
Loans to others	0.55	-	-	-	-	-
Total	**47.40**	**56.73**	**62.71**	**50.03**	**48.39**	**55.28**
Note 8 : Other financial assets						
(Unsecured, considered good, unless otherwise stated)						
Work in progress (uncertified)	395.75	-	111.08	-	70.75	-
Security and other deposits	3.94	75.86	35.74	62.74	5.68	68.86
Interest accrued on fixed deposits	120.60	-	179.78	-	210.49	-
Retention money receivable	-	-	1,316.05	-	-	6.70
Financial asset receivable - Fixed Deposits as Margin Money (with maturity more than 12 months)	-	810.45	-	805.39	-	758.43
Receivable from Government Authorities	604.28	7.22	486.90	15.53	560.30	15.69
Other receivable	81.05	-	29.67	-	56.47	-
Total	**1,205.62**	**893.53**	**2,159.21**	**883.66**	**903.69**	**849.68**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

(₹ in millions)

	March 31, 2017	March 31, 2016	April 1, 2015
Note 9 : Deferred tax assets			
Deferred Tax Liabilities (Net):			
Deferred tax liabilities:			
Difference in depreciation and other differences in block of Property, plant and equipment and Intangible assets as per tax books & financial books	-	42.17	102.91
Deferred tax assets:			
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	-	-	-
Deferred Tax Liabilities (net)	**-**	**42.17**	**102.91**
Deferred Tax Assets:			
Deferred tax assets:			
MAT credit entitlement	4,284.79	3,457.18	2,760.86
Deferred tax liabilities:			
Difference in depreciation/amortisation and other differences	(429.93)	(79.78)	(210.67)
Deferred Tax Assets (net)	**3,854.86**	**3,377.40**	**2,550.19**
Movement in deferred tax assets			
Opening balance	3,377.40	2,550.19	2,550.19
(Charged)/Credited:			
- to profit or loss	477.46	827.21	-
- on defined benefit obligation	-	-	-
Closing balance	**3,854.86**	**3,377.40**	**2,550.19**
Note 10 : Other Non - Current Assets			
Capital advances	8.71	45.01	72.01
Advance to suppliers	11.81	30.72	53.23
Mobilisation advance	260.25	156.46	332.12
Deposit with Govt Authorities	0.37	3.90	-
Prepaid expenses	12.37	5.93	8.69
Un-amortised ancillary borrowing cost	-	0.81	2.04
Total	**293.51**	**242.83**	**468.09**
Note 11 : Inventories			
(valued at lower of cost and net realizable value)			
Construction raw material	1,460.38	1,628.03	1,143.62
Land	2,066.71	1,460.38	1,454.88
Total	**3,527.09**	**3,088.41**	**2,598.50**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

(₹ in millions)

	March 31, 2017	March 31, 2016	April 1, 2015
Note 12 : Cash and cash equivalents			
Cash and Bank balances			
Balances with banks:			
- on current accounts	1,653.55	1,628.52	1,613.07
- on trust, retention and other escrow accounts*	313.82	736.56	2,102.77
Cash on hand	153.01	248.22	183.55
on unpaid dividend account	5.85	6.06	4.46
Deposits with banks			
- Original maturity less than 3 months (Earmarked) *	183.57	144.96	192.65
	2,309.80	**2,764.32**	**4,096.50**
Note 12 (a) : Bank balance other than cash and cash equivalent			
Deposits with maturity less than 12 months			
Debt service reserve account with banks /earmarked balance *	295.10	514.29	947.60
Margin money deposits against bank guarantees**	9,303.74	625.16	22.00
Other deposits	720.08	8,713.59	6,725.57
	10,318.92	**9,853.04**	**7,695.17**
Deposits with maturity more than 12 months			
Debt service reserve account with banks /earmarked balance *	701.88	2,407.74	1,381.17
Margin money deposits against bank guarantees**	81.09	223.20	2,311.42
Other deposits	475.36	564.88	572.54
Less: Amount disclosed under non-current assets	(810.45)	(805.39)	(758.43)
Total	**10,766.80**	**12,243.47**	**11,201.87**

Debt service reserve account/ major maintenance reserve account and trust, retention and other escrow accounts

Bank deposits are marked lien /pledged against the non current secured loan as per term loan agreement with the lender, further the lenders have first charge on trust, retention and other escrow accounts.

* First charge on above to the extent of amount payable as per the waterfall mechanism as defined in the Concession Agreement/ Common Loan Agreement.

** Margin money deposits are earmarked against bank guarantees taken by the company and for subsidiaries of the company.

The deposits to the extent of ₹ 447.87 millions (March 31,2016 : ₹ 2,390.42 millions, April 1,2015 : ₹ 3,506.71 millions) maintained by the group with bank includes time deposits, which are held against Debt Service Reserve (DSR) and margin money against guarantees, are considered as current portion under the head “Other bank balances” since the same are encashable by the lenders in the event of default by the group, if any.

Current deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the group and earn interest at the respective current deposit rates. Other time deposits earn interest at the rate of 5.00 % to 8.50% p.a.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

For the purpose of the Statement of cash flows, cash and cash equivalents comprises of the following:

(₹ in millions)

	March 31, 2017	March 31, 2016	April 1, 2015
Balances with scheduled banks:			
- Trust, retention and other escrow accounts	313.82	736.56	2,102.77
- Current accounts	1,653.55	1,628.52	1,613.07
- In deposit accounts with original maturity less than 3 months	183.57	144.96	192.65
- In unpaid dividend accounts	5.85	6.06	4.46
Cash on hand	153.01	248.22	183.55
Add: Assets held for sale (refer note 31)	548.99	-	-
Total Cash and Cash Equivalents	**2,858.79**	**2,764.32**	**4,096.50**

Cash and cash equivalents excludes bank overdraft of ₹ 9,294.33 millions (March 31, 2016 : ₹ 11,873.46 millions and April 1, 2015: ₹ 6,276.88 millions). Against the said overdraft facility, the Company has deposits included under Other bank balances.

(₹ in millions)

	March 31, 2017	March 31, 2016	April 1, 2015
Break up of financial assets carried at amortised cost			
Loans	104.13	112.74	103.67
Trade Receivables	704.73	86.63	58.38
Cash and cash equivalents	2,309.80	2,764.32	4,096.50
Other Bank balances	10,766.80	12,243.47	11,201.87
Other financial assets	2,099.15	3,042.87	1,753.37
Total financial assets carried at amortised cost	**15,984.61**	**18,250.03**	**17,213.79**
Note 13 : Current tax assets (net)			
Advance income-tax (net of provision for tax)	537.83	443.20	611.07
Total	**537.83**	**443.20**	**611.07**
Note 14 : Other current assets			
(Unsecured, considered good unless otherwise stated)			
Advance with suppliers	710.99	3,798.77	779.88
Current maturities of mobilisation advances	915.12	12.74	2,877.51
Prepaid expenses	166.85	172.76	68.34
Duties and taxes receivable	181.68	224.28	242.56
Total	**1,974.64**	**4,208.55**	**3,968.29**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

(₹ in millions)

	March 31, 2017	March 31, 2016	April 1, 2015
Note : 15 : Equity			
Equity share capital			
Authorised share capital			
At the beginning of the year	3,514.50	3,514.50	3,514.50
Increase/(decrease) during the year	-	-	-
At the end of the year	**3,514.50**	**3,514.50**	**3,514.50**
Issued, subscribed and paid up equity share capital			
Equity shares of ₹ 10 each issued, subscribed and fully paid			
At the beginning of the year	3,514.50	3,514.50	3,514.50
Increase/(decrease) during the year	-	-	-
At the end of the year	**3,514.50**	**3,514.50**	**3,514.50**

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

Equity shares of ₹ 10 each issued, subscribed and fully paid.

	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	(₹ in millions)	No. of shares	(₹ in millions)	No. of shares	(₹ in millions)
At the beginning of the year	351,450,000	3,514.50	351,450,000	3,514.50	351,450,000	3,514.50
Increase/(decrease) during the year	-	-	-	-	-	-
At the end of the year	**351,450,000**	**3,514.50**	**351,450,000**	**3,514.50**	**351,450,000**	**3,514.50**
b. Details of shareholders holding more than 5% shares in the Company.						
Promoter and promoter group	No. of shares	%	No. of shares	%	No. of shares	%
Virendra D. Mhaiskar Jointly with Deepali V. Mhaiskar	1,000	0.00%	111,968,220	31.86%	111,968,220	31.86%
Virendra D. Mhaiskar (Karta of V.D. Mhaiskar - HUF)	1,000	0.00%	83,738,795	23.83%	83,738,795	23.83%
Ideal Soft Tech Park Private Limited	199,415,015	56.74%	3,710,000	1.06%	3,710,000	1.06%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

c. Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

During the year ended March 31, 2017, the amount of per share dividend recognised as distributions to equity shareholders is ₹ 2.00 (March 31, 2016: ₹ 6.00).

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

(₹ in millions)

	March 31, 2017	March 31, 2016	April 1, 2015
Note 16: Other Equity			
Attributable to the equity holders			
a. Securities premium account			
At the beginning of the year	14,060.09	14,060.09	14,060.09
Increase/(decrease) during the year	-	-	-
At the end of the year	**14,060.09**	**14,060.09**	**14,060.09**
b. Other reserves			
1. Capital Reserve			
At the beginning of the year	1,284.31	1,284.31	1,284.31
Increase/(decrease) during the year	-	-	-
At the end of the year	**1,284.31**	**1,284.31**	**1,284.31**
2. General Reserve			
At the beginning of the year	1,946.12	1,946.12	1,946.12
Increase/(decrease) during the year	-	-	-
At the end of the year	**1,946.12**	**1,946.12**	**1,946.12**
3. Retained earnings			
At the beginning of the year	27,557.90	23,701.31	23,701.31
Profit for the year	7,154.74	6,390.87	-
Less: Appropriations			
- Interim equity dividend	(702.90)	(2,108.70)	-
Tax on interim equity dividend	(143.09)	(429.31)	-
- Other comprehensive income/(loss) for the year	-	-	-
- Re-measurement gains/(losses) on defined benefit plans	(9.82)	3.73	-
At the end of the year	**33,856.84**	**27,557.90**	**23,701.31**
Total	**35,141.39**	**30,788.33**	**26,931.74**

a. **Securities Premium account -** Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium account".

b. **Other reserves**

1. **Capital Reserve:** Where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Other equity', in the consolidated financial statements.

2. **General Reserve:** The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

3. **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

(₹ in millions)

	March 31, 2017	March 31, 2016	April 1, 2015
Note : 17 : Borrowings			
Non-current Borrowings			
Term loans			
Indian rupee loan from banks (secured)			
Project loans for SPVs	83,570.89	93,432.66	57,116.99
Equipment finance	285.38	373.28	2,631.37
General purpose borrowing	17,715.26	12,378.12	14,371.98
Less : Current maturities expected to be settled within 12 month from balance sheet date	(9,129.51)	(10,283.25)	(9,184.49)
Total (a)	**92,442.02**	**95,900.81**	**64,935.85**
Foreign currency loans from banks (Secured)			
Project loans for SPVs	4,415.00	11,352.38	10,814.75
Equipment finance	-	-	249.11
Less: Current maturities expected to be settled within 12 month from balance sheet date	(60.05)	(41.63)	(302.04)
Total (b)	**4,354.95**	**11,310.75**	**10,761.82**
Indian rupee loan from financial institutions (secured)			
Project loans for SPVs	11,353.07	13,489.07	29,073.04
Equipment finance	74.70	153.02	190.01
General purpose borrowing	5,557.45	5,696.82	5,000.00
Less : Current maturities expected to be settled within 12 month from balance sheet date	(236.60)	(1,171.34)	(1,916.44)
Total (c)	**16,748.62**	**18,167.57**	**32,346.61**
Non-convertible debentures	-	1,174.71	-
Less : Current maturities expected to be settled within 12 month from balance sheet date	-	(37.60)	-
	-	**1,137.11**	**-**
Deferred Premium Obligation	7,519.70	6,349.30	3,181.52
Total (d)	**7,519.70**	**7,486.41**	**3,181.52**
Less: Umamortised transaction cost (e)	(168.58)	(25.85)	(47.88)
Total (f) = (a + b + c + d - e)	**120,896.71**	**132,839.69**	**111,177.92**
Current borrowings			
Cash credit/bank overdraft	9,294.34	11,873.46	6,276.88
From other parties (unsecured, repayable on demand and interest free)	13.67	13.67	13.67
Total current borrowings	**9,308.01**	**11,887.13**	**6,290.55**
less: Amount clubbed under "other current financial liabilities"	-	-	-
Net current borrowings	**9,308.01**	**11,887.13**	**6,290.55**
Aggregate secured loans	132,031.59	149,880.18	125,660.69
Aggregate unsecured loans	7,533.37	6,362.97	3,195.19

Project loans for SPVs

₹ 99,338.96 millions (March 31, 2016, ₹ 118,274.11 millions, April 1, 2015, ₹ 97,004.78 millions) pertains to term loans taken by SPV (Special Purpose Vehicles) for Project financing.

Rate of interest

Rate of interest on the Indian Rupee loan from banks and financial institutions varies from 9.40% to 13.15% p.a. and are secured by pledge of shares of its subsidiaries and subservient charge on the current assets of the Company to the extent of 125% of the outstanding loan.

Rate of interest on Foreign currency bank loans varies from 425 basis points to 495 basis points plus 6 months LIBOR.

Nature of security

i) Secured by first charge on the movable/immovable asset by way of mortgage/hypothecation; first charge on all intangible assets, present and future; assignment of all receivables; book debts and all rights and interest in project, both present and future, excluding the Project Assets of respective companies;

ii) Secured by first charge on the Escrow Account, Debt Service Reserve Account and any other reserves and other bank accounts of the respective Companies.

iii) An irrevocable and unconditional corporate guarantee from IRB Infrastructure Developers Limited to meet shortfall (if any) between debt due and termination payments received from Concessioning Authority in case of termination of Concession Agreement for any reason in case of Project SPV's;

iv) In case of IRBTC, an irrecoverable and unconditional Corporate Guarantee to the extent of ₹ 2,000.00 millions from IRB Infrastructure Developers Limited that it shall provide an interest free unsecured loan to meet shortfall in interest/debt servicing on the loan for a period of eight successive years starting from the date of first disbursement of loan. Such loan shall be without recourse to lenders on terms acceptable to the lenders.

v) The loan in Mhaiskar Infrastructure Private Limited has been guaranteed by the personal guarantee of the directors of the company and IRB Infrastructure Developers Limited only for meeting any shortfall, if any, between the Termination Payment received from Maharashtra State Road Development Corporation Ltd (MSRDC) and the obligations due to the Lenders for any reason whatsoever.

Repayment terms

The Indian rupee loan is repayable in structured monthly installments commencing after commercial operation date such that the total tenor does not exceed 18 years and repayable as per the repayment schedule specified in common loan agreement with the Lenders.

The foreign currency ECB loan shall be repaid in structured semi-annual installments such that the total tenor does not exceed 7 years from the date of first disbursement and repayment shall be in line with the repayment schedule of the Indian rupee common loan agreement with the lenders.

Equipment finance

₹ 360.08 millions (March 31,2016: ₹ 526.30 millions, April 1, 2015: ₹ 3,070.49 millions) pertains to equipment finance, of which Indian rupee loan carries interest varying from 10.50% to 13.00% p.a. and ECB loan carries interest at rate of 6 months USD LIBOR plus 300 basis points. Repayment term is 5 year and 3 months comprising of monthly unstructured installments. Equipment finance companies have a charge over the assets financed.

General purpose borrowing

i) Indian rupee term loan from banks:

Indian rupee term loan from banks of ₹ 16,385.26 millions, carries interest rates which varies from 9.40% p.a. to 11.10% p.a. and are secured by pledge of shares of its subsidiaries and subservient charge on the current assets of the Company to the extent of 125% of the outstanding loan.

Loan amounting to ₹ 1,330.00 millions carries interest @11.50% p.a. and is secured by first & exclusive charge of hypothication of 16 unencumbered wind mills of MRMPL, first charge on the escrow of all receivables arising out of windmill assets, pledge of 10% equity shares of MRMPL and Corporate Guarantee of the Company.

ii) Indian rupee term loan from financial institution

Indian rupee term loan from financial institution of ₹ 5,557.45 millions carries interest rates which varies from 11.10% p.a. to @ 12.05% p.a. and are secured by pledge of shares of its subsidiaries and charge on escrow account opened with the banks.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

The repayment schedule of the above term loan from banks and financial institutions are as follows:

i) **Indian rupee term loan from banks:**

Loan amounting to ₹ 285.26 millions is repayable in 48 structured monthly instalments commencing from April 30, 2017.
Loan amounting to ₹ 10,900.00 millions is repayable in 27 structured monthly instalments commencing from April 30, 2017.
Loan amounting to ₹ 2,000.00 millions is repayable in 5 structured monthly instalments commencing from August 31, 2017.
Loan amounting to ₹ 3,000.00 millions is repayable in 6 structured monthly instalments commencing from Octoer 30, 2019.
Loan amounting to ₹ 200.00 millions is bullet payment on June 28, 2017
Loan amounting to ₹ 11,192.85 millions has been repaid during the current reporting period.

Loan amounting to ₹ 1,330.00 millions will be repaid in balance two annual installments (installment of ₹ 670.00 million & last installment of ₹ 660.00 millions) at the end of 48th & 60th month from the date of first disbursement.

ii) **Indian rupee term loan from financial institutions**

Loan amounting to ₹ 5,000.00 millions is repayable in 30 structured monthly instalments commencing from April 30, 2018.
Loan amounting to ₹ 557.45 millions is repayable in 48 structured monthly instalments commencing from April 30, 2017.
Loan amounting to ₹ 139.37 millions has been repaid during the current reporting period.

(₹ in millions)

	March 31, 2017	March 31, 2016	April 1, 2015
Note 18 : Trade payables			
Total outstanding dues of creditors other than micro and small enterprises (refer note 42)	4,506.80	3,087.92	2,248.51
Total	**4,506.80**	**3,087.92**	**2,248.51**

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 90 day terms.

For explanations on the Company's credit risk management processes, refer to Note 45.

(₹ in millions)

	March 31, 2017		March 31, 2016		April 1, 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Note 19 : Other financial liabilities						
Current maturities of long-term debt						
Indian rupee loan from banks	9,129.51	-	10,283.25	-	9,184.49	-
Indian rupee loan from fnancial institutions	236.60	-	1,171.34	-	1,916.44	-
Foreign currency loan from banks	60.05	-	41.63	-	302.04	-
Non-convertible debentures	-	-	37.60	-	-	-
Unamortised transaction cost	(65.92)	-	(17.49)	-	(15.56)	-
Interest accrued but not due on borrowings	220.87	-	286.95	-	265.64	-
Premium obligation/ Negative grant to NHAI	1,631.13	137,048.68	2,805.24	205,493.44	2,190.65	211,464.20
Obligation for construction	-	20,211.22	-	-	-	-
Interest on premium deferment	-	1,040.23	-	617.18	-	147.31
Stamp duty payable	275.40	-	275.40	-	275.40	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

(₹ in millions)

	March 31, 2017		March 31, 2016		April 1, 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Note 19 : Other financial liabilities (Contd.)						
Directors sitting fees payable (refer note 36)	8.14	-	1.19	-	1.71	-
Unpaid dividends *	5.85	-	6.06	-	4.46	-
Book overdraft on account of issuance of cheques	294.17	-	16.47	-	33.91	-
Deposit	0.46	-	27.11	0.13	4.27	-
Retention money payable	960.54	455.45	1,196.79	4.94	878.18	5.24
Revenue share payable	-	-	293.85	-	262.07	-
Employee benefits payable	346.25	-	198.61	-	168.95	-
Other payable	11.63	-	6.88	-	219.20	-
Total	**13,114.68**	**158,755.58**	**16,630.88**	**206,115.69**	**15,691.85**	**211,616.75**

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2017 (March 31, 2016: Nil, April 1, 2015: Nil).

(₹ in millions)

	March 31, 2017	March 31, 2016	April 1, 2015
Break up of financial liabilities carried at amortised cost			
Borrowings (secured)	132,031.59	149,880.18	125,660.69
Borrowings (unsecured)	7,533.37	6,362.97	3,195.19
Trade payables	4,506.80	3,087.92	2,248.51
Other financial liabilities	162,444.10	211,212.75	215,905.63
Total	**306,515.86**	**370,543.82**	**347,010.02**

(₹ in millions)

	March 31, 2017		March 31, 2016		April 1, 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Note 20 : Provisions						
Provision for employee benefits						
- Leave encashment	15.95	-	9.24	-	21.59	-
- Gratuity (refer note 35)	23.24	125.68	20.28	109.67	19.78	98.90
Others						
- Resurfacing expenses payable	47.53	715.61	62.48	1,168.52	-	801.30
Total	**86.72**	**841.29**	**92.00**	**1,278.19**	**41.37**	**900.20**

(₹ in millions)

	March 31, 2017	March 31, 2016	April 1, 2015
Reconciliation for provisions			
Employee cost			
Opening balance	29.52	41.37	41.37
New provision / (utilised / reversed)	9.67	(11.85)	-
Closing balance	**39.19**	**29.52**	**41.37**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

The movement in provision for resurfacing expenses is as follows:

(₹ in millions)

	March 31, 2017	March 31, 2016	April 1, 2015
Opening balance	1,231.00	801.30	2,432.75
Obligation on new toll projects	659.49	597.08	522.94
Utilised/reversed during the year	-	(117.09)	(2,154.39)
Unused amount reversed during the year	-	(50.29)	-
Closing balance	**1,890.49**	**1,231.00**	**801.30**

The above note includes resurfacing expenses of 6 SPV's transferred to InvIT Fund. (refer note 31)

The above provisions are based on current best estimation of expenses that may be required to fulfill the resurfacing obligation as per the service concession agreement with regulatory authorities. It is expected that significant portion of the costs will be incurred over the period. The actual expense incurred may vary from the above. No reimbursements are expected from any sources against the above obligation.

(₹ in millions)

	March 31, 2017	March 31, 2016	April 1, 2015
Note 21 : Other liabilities			
Advance from customers	-	7.08	0.36
Duties and taxes payable	695.65	609.59	446.21
Capital creditors	2,936.58	52.83	11.22
Total	**3,632.23**	**669.50**	**457.79**
Note 22 : Current tax liabilities (net)			
Provision for current tax (net of advance tax)	491.96	298.43	397.16
Total	**491.96**	**298.43**	**397.16**

(₹ in millions)

	March 31, 2017	March 31, 2016
Note 23 : Revenue from operations		
Contract revenue (road construction)	34,854.63	30,215.53
Income arising out of toll collection (net) (refer note 54)	22,547.38	20,780.11
Sale of electricity	93.17	75.94
Other operating revenue (refer note 60)	964.18	207.87
Total	**58,459.36**	**51,279.45**
Note 24 : Other income		
Interest income on		
- Bank deposits	1,012.17	1,026.06
- Others	69.11	59.87
- Unwinding of retention money	-	31.01
Dividend income on :		
- Other investments (non-trade, non-current)	-	0.09
- Other investments (non-trade, current)	66.71	103.35
- Gain on sale of property, plant and equipment	9.93	4.69
- Profit on sale of investments	54.28	20.95
Fair value gain on mutual funds	18.30	1.42
Other non operating income	1.22	24.17
Total	**1,231.72**	**1,271.61**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

(₹ in millions)

	March 31, 2017	March 31, 2016
Note 25 : Road work and site expenses		
Contract expenses	15,904.75	13,188.44
Operation and maintenance expenses	1,190.23	615.63
Stores, spares and tools consumed	327.59	276.51
Site and other direct expenses	1,980.51	1,941.28
Sub-contracting/security expenses	222.54	194.78
Technical consultancy and supervision charges	357.29	303.61
Royalty charges paid	78.54	210.76
Hire charges	122.45	94.32
Total	**20,183.90**	**16,825.33**
Note 26 : Employee benefits expense		
Salaries, wages and bonus	2,485.84	2,244.97
Contribution to provident and other funds	83.69	82.04
Gratuity expenses (refer note 35)	26.96	21.50
Staff welfare expenses	129.70	116.55
Total	**2,726.19**	**2,465.06**
Note 27 : Depreciation and amortisation expenses		
Depreciation on property, plant and equipment (refer note 4)	620.76	649.28
Amortisation on intangible assets (refer note 4)	7,927.14	7,884.15
Total	**8,547.90**	**8,533.43**
Note 28 : Finance costs		
Interest expense		
- Banks and financial institutions	11,071.19	9,274.81
- Premium deferment	742.43	250.40
- Overdraft from banks	1,178.29	944.07
- Unwinding of retention money	38.89	-
Other borrowing costs		
- Transaction cost	65.40	5.77
- Others	231.05	164.13
Total	**13,327.25**	**10,639.18**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Note 29 : Other expenses

(₹ in millions)

	March 31, 2017	March 31, 2016
Power and fuel	121.74	95.62
Rent	28.83	28.78
Rates and taxes	164.55	166.78
Water charges	6.64	11.28
Insurance	52.12	34.24
Repairs and maintenance		
- Plant and Machinery	116.54	30.37
- Others	129.93	59.03
Advertisement expenses	130.62	112.54
Travelling and conveyance	249.89	115.25
Vehicle expenses	56.58	169.27
Communication cost	24.93	55.16
Membership and subscription fees	6.03	6.46
Printing and stationery	51.68	49.44
Director sitting fees (refer note 36)	11.50	9.92
Corporate social responsibilities expenditure (refer note 55)	403.16	158.91
Legal and professional expenses	199.04	239.62
Payment to auditor (including service tax) [Refer detail below]	31.28	24.23
Tender fees	4.68	7.31
Donations (refer note 50)	196.00	82.38
Security expenses	4.65	18.05
Loss on sale of property, plant and equipment	-	4.56
Bank charges	90.52	62.31
Miscellaneous expenses	302.60	131.96
Total	**2,383.51**	**1,673.47**
Payment to auditor (including service tax)		
As auditor		
- Audit fees	20.89	12.18
- Tax fees	0.73	3.88
- Limited review	7.12	5.75
In other capacity		
- Other services	2.13	1.85
- Reimbursement of expenses	0.41	0.59
	31.28	**24.25**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Note 30 : Income tax

The major components of income tax expense for the year ended March 31, 2017 and March 31, 2016 are:

(₹ in millions)

	March 31, 2017	March 31, 2016
Current income tax:		
Current income tax charge	3,672.74	3,164.49
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(987.52)	(858.24)
Income tax expense reported in the statement of profit or loss	**2,685.22**	**2,306.25**

Reconciliation of tax expenses and the accounting of profit multiplied by Indian Domestic tax rate for March 31, 2017 and March 31, 2016 are:

(₹ in millions)

	March 31, 2017	March 31, 2016
Profit/(loss) before tax	9,839.43	8,701.61
Tax rate	34.608%	34.608%
Expected income tax at India's statutory rate	3,405.23	3,011.45
Dividend income exempt for tax purpose	(23.09)	(35.80)
Expenses disallowed for tax purpose	207.36	83.51
Deduction allowed for tax purpose	(97.52)	(36.55)
Current year tax losses (permanent differences)	1,120.03	792.52
Tax benefit under section 80-IA of Income Tax Act	(768.61)	(733.01)
MAT credit entitlement	(827.62)	(696.31)
Difference in Depreciation/amortisation and other differences	(429.93)	(79.78)
Others	99.38	0.23
Income tax expense reported in the statement of profit and loss	**2,685.22**	**2,306.25**
Effective tax rate	**27.29%**	**26.50%**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Note 31 : Assets Held for Sale

(a) Description

The Group has identified six BOT/ DBFOT Projects under six subsidiary companies to be transferred to IRB InvIT Fund in accordance with the InvIT Regulations. Assets and liabilities relating to this BOT/ DBFOT projects are shown as Assets held for sale.

(b) Assets and liabilities classified as held for sale

The following assets and liabilities were classified as held for sale as on March 31, 2017:

Assets classified as held for sale

(₹ in millions)

Particulars	March 31, 2017	March 31, 2016
Non-current assets		
Property, plant and equipment	11.98	-
Other Intangible assets	124,449.96	-
Intangible assets under development	5.48	-
Financial assets		
i) Investments	0.04	-
ii) Loans	0.18	-
iii) Other financial assets	6.11	-
Deferred tax assets (net)	326.05	-
Other non-current assets	2.24	-
Sub total (A)	**124,802.04**	**-**
Current assets		
Inventories		
Financial assets		
i) Trade receivables	8.69	-
ii) Cash and cash equivalent	548.99	-
iii) Bank balance other than (ii) above	1,057.52	-
iv) Loans	1.19	-
v) Other financial assets	266.63	-
Current tax assets (net)	79.93	-
Other current assets	70.71	-
Sub total (B)	**2,033.66**	**-**
Total assets classified as held for sale - (A) + (B)	**126,835.70**	**-**
Liabilities directly associated with assets classified as held for sale		
Non-current liabilities		
Financial liabilities		
i) Borrowings	1,998.39	-
ii) Other financial liabilities	61,983.39	-
Provisions	1,136.43	-
Deferred tax liabilities (net)	3.75	-
Other non-current liabilities	-	-
Sub total (A)	**65,121.96**	**-**

(₹ in millions)

Particulars	March 31, 2017	March 31, 2016
Current liabilities		
Financial liabilities		
i) Borrowings	-	-
ii) Trade payables	125.41	-
iii) Other financial liabilities	36,768.77	-
Provisions	0.75	-
Other current liabilities	16.96	-
Current tax liabilities (net)	24.90	-
Sub total (B)	**36,936.79**	**-**
Total liabilities classified as held for sale - (A) + (B)	**102,058.75**	**-**

Note 32 : Earnings Per Share (EPS)

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

(₹ in millions)

	March 31, 2017	March 31, 2016
Profit attributable to equity holders for basic earnings	7,154.74	6,390.87
Weighted average number of Equity shares adjusted for the effect of dilution*	351,450,000	351,450,000
Face value per share	10	10
Basic earning per share	20.36	18.18
Diluted earning per share	20.36	18.18

* There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

Note 33 : Components of Other Comprehensive Income

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

(₹ in millions)

	Retained Earnings	
	March 31, 2017	March 31, 2016
Re-measurement gains/(losses) on defined benefit plans (refer note 35)	(9.82)	3.73
Total	**(9.82)**	**3.73**

Note 34 : Commitment and Contigencies

a. Leases

Rent/lease payments under operating lease are recognised as an expense in the Statement of profit and loss on a straight line basis over the lease term.

Operating lease

	March 31, 2017	March 31, 2016
a) Future lease rental payments under non-cancellable operating lease are as follows:		
i) Not later than one year	4.84	2.87
ii) Later than one year and not more than five year	5.06	1.39
iii) Later than five year	-	-
b) Lease payment recognised in the statement of profit and loss account	28.83	28.78
c) General description of the leasing agreement		
i) Leased assets – accommodation for employees	-	-
ii) Future lease rentals are determined on agreed terms	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

b. Capital Commitments

(₹ in millions)

		March 31, 2017	March 31, 2016	April 1, 2015
a)	Estimated value of contracts in capital account remaining to be executed *	22.41	12,193.12	25.10
b)	Commitment for acquisition of toll equipments & machineries	0.26	-	-
		22.67	**12,193.12**	**25.10**

* Commitments included ₹ 11,810 millions towards Concession Agreement for Mumbai Pune Phase II Project. However, the company has received a letter from MSRDC informing the company about termination of Concession Agreement for Mumbai Pune Phase II Project. Hence, Commitment is reduced to that extent.

c. Contingent Liability

Contingent liabilities not provided for

(₹ in millions)

	March 31, 2017	March 31, 2016	April 1, 2015
Guarantees given by the Group to suppliers, government bodies and performance guarantee	5,941.71	4,390.49	5,096.83
For Service Tax, ESIC, Custom Duty, Other Finance expenses and Stamp duty matters	26.82	30.68	107.02
For Others (NHAI)	328.91	328.91	-
Total	**6,297.43**	**4,750.08**	**5,203.85**

i) Future cash outflows, if any, in respect of above are determinable only on receipt of judgement/decisions pending at various forums/authorities.

ii) The Group's pending litigations comprise of claims against the Group primarily by the commuters and regulators. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required. The Group has not provided for or disclosed contingent liabilities for matters considered as remote for pending litigations/public litigations(PIL)/claims wherein the management is confident, based on the internal legal assessment and advice of its lawyers that these litigations would not result into any liabilities. The Group does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

d. Litigation stamp duty matter

MIPL had vide order dated September 9, 2005 received a demand from the Government of Maharashtra of ₹ 275.40 millions in respect of stamp duty on the agreement dated August 4, 2004 entered into between Maharashtra State Road Developers Corporation Limited (MSRDC), MIPL and the Government of Maharashtra for right to collect tolls/fees, the cost of which has been provided and capitalized during the earlier year.

MIPL had vide order dated March 12, 2008 received demand from Chief Controlling Revenue Authority Maharashtra State, Pune of ₹ 49.57 millions in respect of penalty on said stamp duty. MIPL has filed a Writ Petition No. 3000 of 2008 in the Bombay High Court for quashing the said order on the grounds that the said order is in violation of the provisions of Bombay Motor Vehicles Act and also in violation of the concession agreement between the Government of India and MSRDC.

The Writ Petition came up for admission on April 28, 2008 and the Hon'ble Court was pleased to admit the said Writ Petition and has directed the Petitioner to deposit 50% of the demand with the Collector of Stamps (Enforcement I) within eight weeks from the said Order dated April 28, 2008 and has directed the Registrar to seek direction from the Chief Justice of Bombay High Court for deciding as to whether the matter should be referred to a larger bench. Considering the facts and circumstances of the case and law, MIPL has made a provision of ₹ 275.40 millions in books of accounts and paid 50% of the amount ₹ 137.70 millions under protest on June 19, 2008. Further, based on the legal opinion obtained by MIPL, the management is of the view that the possibility of penalty demanded by the authorities, becoming a liability is remote.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Note 35 : Gratuity and other post employment benefit plans

(a) Defined contribution plan

The following amount recognized as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

(₹ in millions)

	March 31, 2017	March 31, 2016	April 1, 2015
Contribution in defined plan	83.69	82.04	82.04

(b) Defined benefit plan

The Group has a unfunded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the Gratuity plan.

(₹ in millions)

	March 31, 2017	March 31, 2016	April 1, 2015
Statement of Profit and Loss			
Net employee benefit expense recognised in the employee cost			
Current service cost	17.69	12.99	-
Interest cost on benefit obligation	9.27	8.52	-
(Gain) / losses on settlement	-	-	-
Net benefit expense	**26.96**	**21.51**	**-**
Amount recorded in Other Comprehensive Income (OCI)			
Opening amount recognised in OCI outside profit and loss statement	(4.05)	(0.32)	-
Remeasurement during the year due to :			
Actuarial loss / (gain) arising from change in financial assumptions	4.31	2.43	-
Actuarial loss / (gain) arising on account of experience changes	5.51	(6.16)	-
Amount recognised in OCI outside profit and loss statement	**9.82**	**(3.73)**	**-**
Closing amount recognised in OCI outside profit and loss statement	**5.77**	**(4.05)**	-
Reconciliation of net liability / assset			
Opening defined benefit liability / (assets)	129.95	118.68	118.68
Expense charged to profit & loss account	26.96	21.51	-
Actual benefits paid	(8.22)	(6.51)	-
Amount recognised in outside profit and loss statement	9.82	(3.73)	-
Closing net defined benefit liability / (assets)	**158.51**	**129.95**	**118.68**
Balance sheet			
Benefit (assets) / liability			
Defined benefit obligation	-	-	-
Fair value of plan assets	-	-	-
Present value of unfunded obligations	158.51	129.95	118.68
Less : Unrecognized past service cost	-	-	-
Plan liability	**158.51**	**129.95**	**118.68**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

(₹ in millions)

	March 31, 2017	March 31, 2016	April 1, 2015
Changes in the present value of the defined benefit obligation are as follows:			
Opening defined benefit obligation	129.95	118.68	118.68
Current service cost	17.69	12.99	-
Past service cost	-	-	-
Interest on defined benefit obligation	9.27	8.52	-
Remeasurement during the period due to :			
Actuarial loss / (gain) arising from change in financial assumptions	4.31	2.43	-
Actuarial loss / (gain) arising on account of experience changes	5.51	(6.16)	-
Benefits paid	(8.22)	(6.51)	-
Closing defined benefit obligation	**158.51**	**129.95**	**118.68**
Net liability is bifurcated as follows :			
Current	23.74	20.28	19.78
Non-current	134.77	109.67	98.90
Net liability *	**158.51**	**129.95**	**118.68**
* Net liability includes Assets held for sale (refer note 31)			

The principal assumptions used in determining gratuity benefit obligation for the Company's plans are shown below:

	March 31, 2017	March 31, 2016
Discount rate	7.50%	7.75%
Expected rate of return on plan assets (p.a.)	N.A.	N.A.
Salary escalation	7.00%	7.00%
Mortality pre-retirement	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

A quantitative analysis for significant assump-tion is as shown below:

Indian gratuity plan: (₹ in millions)

	March 31, 2017	March 31, 2016
Assumptions - Discount rate		
Sensitivity level	0.50%	0.50%
Impact of increase in 50 dps on defined benefit obligation	(8.16)	(6.67)
Impact of decrease in 50 dps on defined benefit obligation	8.91	7.02
Assumptions - Salary escalation rate		
Sensitivity level	0.50%	0.50%
Impact on defined benefit obligation		
Impact of increase in 50 bps on defined benefit obligation	7.53	6.03
Impact of decrease in 50 bps on defined benefit obligation	(7.08)	(5.87)

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

The gratuity liabilities of the Company are unfunded and hence there are no assets held to meet the liabilities.

The following payments are expected contributions to the defined benefit plan in future years (₹ in millions)

	March 31, 2017
Within the next 12 months (next annual reporting period)	23.74
Between 2 and 5 years	37.11
Between 6 and 10 years	44.27
Beyond 10 years	333.32
Total expected payments	**438.43**
The weighted average duration of the defined benefit plan obligation at the end of the reporting period	12.63 years

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Note 36 : Related Party Disclosure

I.	**Names of Related Parties and description of relationship :**	
	Description of relationship	**Names of related parties**
a)	**Enterprises owned or significantly influenced by key management personnel or their relatives (Enterprises)** (Only with whom there have been transactions during the year/ previous year or there was balance outstanding at the year/ previous year end)	Aryan Constructions
		V. D. Mhaiskar (HUF) - Karta Mr. V. D. Mhaiskar
		Ideal Soft Tech Park Private Limited
		VCR Toll Services Private Limited
		Ideal Toll and Infrastructure Private Limited
		Jan Transport
		MEP Infrastructure Developers Limited
		Rideema Toll Private Limited
		Rideema Enterprises
		A. J. Tolls Pvt. Ltd.
		Anuya Enterprises
		IRB Charitable Foundation
b)	**Key Management Personnel**	Mr. V.D. Mhaiskar, Chairman and Managing Director
		Mr. Sudhir Rao Hoshing, Joint Managing Director
		Mrs. Deepali V. Mhaiskar, Executive Director
		Mr. Mukesh Gupta, Executive Director
		Mr. Chandrashekhar S. Kaptan, Independent Director
		Mr. Sunil H. Talati, Independent Director
		Mr. Sandeep Shah, Independent Director
		Mr. Sunil Tandon, Independent Director
		Mr. Bajrang Lal Gupta, Independent Director
		Mr. Govind Desai, Independent Director
		Mr. A. P. Deshmukh, Chief Executive Officer (Infrastructure)
		Mr. Dhananjay K. Joshi, Chief Executive Officer (Corporate Affairs, Reality and Airport)
		Mr. Anil D. Yadav, Chief Financial Officer
		Mr. Mehul N. Patel, Company Secretary
c)	**Relatives of Key Management Personnel** (Only with whom there have been transactions during the year/previous year or there was balance outstanding at the year/previous year end)	Mr. D. P. Mhaiskar (Father of Mr. Virendra D. Mhaiskar)
		Mr. J. D. Mhaiskar (Brother of Mr. Virendra D. Mhaiskar)
		Mr. S. G. Kelkar (Father of Mrs. Deepali V. Mhaiskar)
		Mrs. S. D. Mhaiskar (Mother of Mr. V.D. Mhaiskar)

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Note 36 : Related Party Disclosure

I. Related Party Transactions

(₹ in millions)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel / Relatives of Key Management Personnel	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
1.	**Dividend paid**	**174.90**	**529.43**	**228.42**	**689.49**
	V. D. Mhaiskar	-	-	223.94	671.82
	D. P. Mhaiskar	-	-	1.19	7.78
	D. K. Joshi	-	-	0.04	0.13
	D. V. Mhaiskar	-	-	3.23	9.69
	A. P. Deshmukh	-	-	0.02	0.07
	M. L. Gupta	-	-	0.00	0.00
	Anil D. Yadav	-	-	0.00	0.00
	V. D. Mhaiskar (HUF)	167.48	502.43	-	-
	Ideal Soft Tech Park Private Limited	7.42	22.26	-	-
	Ideal Toll and Infrastructure Private Limited	0.00	4.74	-	-
2.	**Director sitting fees**	-	-	**4.02**	**2.44**
	D. P. Mhaiskar	-	-	-	0.43
	V. D. Mhaiskar	-	-	0.12	0.37
	J. D. Mhaiskar	-	-	-	0.09
	D. V. Mhaiskar	-	-	0.18	0.39
	S. G. Kelkar	-	-	0.05	0.20
	S. D. Mhaiskar	-	-	-	0.03
	A. P. Deshmukh	-	-	0.72	0.39
	Sudhir Hoshing	-	-	-	0.00
	D. K. Joshi	-	-	-	0.54
	Sunil H. Talati	-	-	0.40	-
	Sunil Tandan	-	-	0.25	-
	C. S. Kaptan	-	-	0.97	-
	Sandeep shah	-	-	1.14	-
	Mr. B. L. Gupta	-	-	0.05	-
	Govind Desai	-	-	0.14	-
3.	**Remuneration paid**	-	-	**406.28**	**384.31**
	V. D. Mhaiskar	-	-	124.09	124.62
	D. V. Mhaiskar	-	-	111.16	112.19
	D. P. Mhaiskar	-	-	-	9.44
	J. D. Mhaiskar	-	-	-	1.40
	S. D. Mhaiskar	-	-	-	5.07
	Sudhir Hoshing	-	-	30.53	29.33
	M. L. Gupta	-	-	44.46	32.26
	D. K. Joshi	-	-	25.97	18.75

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel / Relatives of Key Management Personnel	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	A. P. Deshmukh	-	-	48.32	35.91
	Anil D. Yadav	-	-	17.37	11.51
	Mehul N. Patel	-	-	4.38	3.83
4.	**Rent paid**	**-**	**-**	**2.16**	**2.55**
	V. D. Mhaiskar	-	-	2.16	2.16
	D. P. Mhaiskar	-	-	-	0.27
	S. D. Mhaiskar	-	-	-	0.12
		-			
5.	**Short-term demand loans given**	**0.55**	**-**	**-**	**-**
	IRB Charitable Foundation	0.50	-	-	-
	Ideal SoftTech Private Limited	0.05	-	-	-
6.	**Interest recd on Unsecured loan**	**-**	**-**	**-**	**0.06**
	Anil D. Yadav	-	-	-	0.06
7.	**Short-term demand loans (interest bearing) repayment received**	**-**	**-**	**0.46**	**0.12**
	Anil D. Yadav	-	-	0.46	0.12
8	**Repayment of Deposit**	**-**	**3.00**	**-**	**-**
	MEP Infrastructure Developers Limited	-	3.00	-	-
9.	**Labour charges paid**	**0.49**	**2.43**	**-**	**-**
	Aryan Constructions	0.49	2.43	-	-
10.	**Mobilization advance payment received**	**2,035.83**	**-**	**-**	**-**
	Aryan Constructions	2,035.83	-	-	-
11.	**Commission Paid**	**-**	**-**	**-**	**17.50**
	D. P. Mhaiskar	-	-	-	17.50
12.	**Other Expenses**	**-**	**0.00**	**-**	**-**
	IRB Charitable Foundation	-	0.00	-	-
13.	**Expenses incurred on behalf of (reimbursement)**	**-**	**0.01**	**-**	**-**
	IRB Charitable Foundation	-	0.01	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Note 36 : Related Party Disclosure

II. Related Party Balances

(₹ in millions)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives			Key Management Personnel / Relatives of Key Management Personnel		
		March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
1.	**Loan taken**	**13.67**	**13.67**	**13.67**	-	-	-
	VCR Toll Services Private Limited	13.67	13.67	13.67	-	-	-
2.	**Other payable**	-	-	-	**80.34**	**0.96**	**2.50**
	V. D. Mhaiskar	-	-	-	17.04	-	-
	D. V. Maiskar	-	-	-	45.12	-	-
	M. L. Gupta	-	-	-	-	-	0.51
	D. K. Joshi	-	-	-	4.17	0.18	0.66
	Sudhir Hoshing	-	-	-	2.51	-	-
	A. P. Deshmukh	-	-	-	8.13	0.13	0.83
	Anil D. Yadav	-	-	-	2.74	0.45	0.21
	Mehul N. Patel	-	-	-	0.63	0.20	0.29
3.	**Other receivable**	**0.14**	**0.15**	**0.14**	-	-	-
	MEP Infrastructure Developers Limited	0.14	0.14	0.14	-	-	-
	IRB Charitable Foundation	-	0.01	-	-	-	-
4.	**Mobilisation advance given**	-	**2,035.83**	**2,035.83**	-	-	-
	Aryan Constructions	-	2,035.83	2,035.83	-	-	-
5.	**Advance given**	-	-	**3.00**	-	-	-
	Jan Transport	**0.00**	**0.00**	**0.00**	-	-	-
	MEP Infrastructure Developers Limited	-	-	3.00	-	-	-
6.	**Advance received**	**0.45**	**0.45**	**0.45**	-	-	-
	VCR Toll Services Private Limited	0.45	0.45	0.45	-	-	-
7.	**Director sitting fees payable**	-	-	-	**0.15**	**0.19**	**0.28**
	D. P. Mhaiskar	-	-	-	-	0.02	0.06
	V. D. Mhaiskar	-	-	-	-	0.04	0.06
	J. D. Mhaiskar	-	-	-	-	-	0.02
	A. P. Deshmukh	-	-	-	0.04	0.05	0.05
	D. K. Joshi	-	-	-	0.05	0.08	0.09
	Sudhir Hoshing	-	-	-	0.02	0.00	-
	C. S. Captan	-	-	-	0.03	-	-
	Sandeep Shah	-	-	-	0.01	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

(₹ in millions)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives			Key Management Personnel / Relatives of Key Management Personnel		
		March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
8.	**Rent Paid in Advance**	-	-	-	1.75	**1.86**	**1.29**
	V. D. Mhaiskar	-	-	-	1.75	1.86	1.29
9.	**Rent Payable**	-	-	-	-	**0.03**	**0.03**
	D. P. Mhaiskar	-	-	-	-	0.02	0.02
	S. D. Mhaiskar	-	-	-	-	0.01	0.01
10.	**Due to director**	-	-	-	7.84	**0.97**	**19.07**
	V. D. Mhaiskar	-	-	-	-	0.97	9.62
	D. V. Mhaiskar	-	-	-	-	-	9.23
	D. P. Mhaiskar	-	-	-	-	-	0.13
	M. L. Gupta	-	-	-	7.84	-	-
	S. D. Mhaiskar	-	-	-	-	-	0.09
11.	**Short-term demand loans (interest bearing) given**	0.55	-	-	-	**0.46**	**0.58**
	IRB Charitable Foundation	0.50	-	-	-	-	-
	Ideal SoftTech Private Limited	0.05	-	-	-	-	-
	Anil D. Yadav	-	-	-	-	0.46	0.58

Note 37 : Segment Information

a) The Group has identified business segments in accordance with Indian Accounting Standard 108 “Operating Segment” notified under Section 133 of the Companies Act, 2013, read together with relevant rules issued thereunder.

b) The Group has identified two business segments viz., Built, Operate and Transfer (‘BOT’) and Construction as reportable segments.

The business segments of the Group comprise of the following:

Segment	Description of Activity
BOT Projects	Operation and maintenance of roadways
Construction	Development of roads

c) The Group’s activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.

d) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

e) Assets and Liabilities that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

f) Details of Business Segment information is presented below.

(₹ in millions)

Particulars	BOT Projects*		Construction		Unallocated corporate		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
REVENUE								
Total external revenue	23,511.56	20,987.99	34,854.63	30,215.53	93.17	75.94	23,604.72	21,063.93
Inter segment revenue	-	-	-	-	-	-	-	-
Total Revenue (Net)	**23,511.56**	**20,987.99**	**34,854.63**	**30,215.53**	**93.17**	**75.94**	**23,604.72**	**21,063.93**
RESULT								
Segment Results	12,152.69	10,116.38	9,802.62	7,959.10	(14.92)	(0.88)	21,940.39	18,074.60
Unallocated corporate expenses							5.44	5.44
Operating Profit							21,934.95	18,069.16
Other Income							1,231.72	1,271.60
Unallocated financial expenses							13,327.25	10,639 .17
Profit Before Tax							9,839.42	8,701.59
Current Tax							3,672.74	3,164.49
Deferred Tax							(987.52)	(858.24)
MAT Credit Entitlement							-	-
Net Profit after tax and before non-controlling interest							12,525.64	11,007.85
Less: Non-controlling interest							(0.54)	4.48
Net Profit							**12,524.10**	**11,012.33**
OTHER INFORMATION								
Segment assets	208,230.81	298,457.80	106,670.01	94,360.95	24,672.18	28,840.76	339,573.00	421,659.52
Segment liabilities	99,930.03	151,719.58	69,581.50	61,206.72	142,122.45	160,015.29	311,633.98	372,941.59
Depreciation and Amortisation	8,498.27	8,476.89			49.64	56.54	8,547.90	8,533.43

* BOT projects segment includes Assets held for sale (refer note 31)

Footnotes:

1. Unallocated corporate assets includes current and non-current investments, goodwill, deferred tax assets, cash and bank balances and advance payment of income tax.
2. Unallocated corporate liabilities includes long term borrowings, short term borrowings, current maturities of long term borrowing, deferred tax liability and provision for taxation.
3. Unallocated corporate under segment revenue and segment results includes Real Estate Development, Windmill (Sale of electricity generated by windmill), Hospitality and Airport Infrastructure.

Note 38 : Information required for consolidated financial statements pursuant to Schedule III of the Companies Act, 2013 :

(₹ in millions)

Name of the entity	Net Assets, i.e. total assets minus total liabilities				Share in Profit / (Loss)				Share in Other Comprehensive income / (Loss)				Share in Total Comprehensive income / (Loss)			
	March 31, 2017		March 31, 2016		March 31, 2017		March 31, 2016		March 31, 2017		March 31, 2016		March 31, 2017		March 31, 2016	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net profit	Amount	As % of consolidated net profit	Amount	As % of Other Comprehensive Income/ (Loss)	Amount	As % of Total Comprehensive Income/ (Loss)	Amount	As % of Total Comprehensive Income/ (Loss)	Amount	As % of Total Comprehensive Income/ (Loss)	Amount
Parent																
IRB Infrastructure Developers Limited	-8%	(4,328.75)	-2%	(934.11)	19%	1329.49	13%	811.68	-5%	0.53	-35%	(1.31)	19%	1,330.01	13%	810.37
Subsidiaries																
Modern Road Makers Private Limited	18%	9,454.96	18%	8,551.41	47%	3,340.04	43%	2,724.27	123%	(12.11)	164%	6.14	47%	3,327.93	43%	2,730.41
Ideal Road Builders Private Limited	5%	2,574.30	5%	2,642.75	5%	364.21	7%	456.36	-6%	0.62	0%	0.00	5%	364.83	7%	456.36
Mhaiskar Infrastructure Private Limited	30%	16,030.61	24%	11,587.37	62%	4,441.74	60%	3,810.45	-15%	1.50	11%	0.40	62%	4,443.24	60%	3,810.86
ATR Infrastructure Private Limited	2%	1,310.32	2%	1,161.06	2%	149.48	2%	141.09	2%	(0.22)	0%	-	2%	149.26	2%	141.09
Aryan Toll Road Private Limited	2%	1,060.66	2%	947.84	2%	112.96	2%	98.99	1%	(0.15)	0%	-	2%	112.82	2%	98.99
NKT Road and Toll Private Limited	1%	648.49	1%	623.27	0%	25.22	-0%	(1.67)	0%	-	0%	-	0%	25.22	-0%	(1.67)
MMK Toll Road Private Limited	1%	393.31	1%	394.53	-0%	(1.22)	0%	13.80	0%	-	0%	-	-0%	(1.22)	0%	13.80
IRB Infrastructure Private Limited	1%	373.65	1%	366.42	0%	7.62	0%	6.41	4%	(0.39)	0%	-	0%	7.23	0%	6.41
Thane Ghodbunder Toll Road Private Limited	1%	505.58	1%	509.31	-0%	(5.02)	0%	2.10	-13%	1.29	0%	-	-0%	(3.73)	0%	2.10
IDAA Infrastructure Private Limited*	5%	2,553.16	5%	2,324.27	3%	228.47	3%	197.91	-4%	0.41	3%	0.12	3%	228.89	3%	198.03
Aryan Infrastructure Investments Private Limited	2%	870.97	2%	872.55	-0%	(1.58)	-0%	(1.04)	0%	-	0%	-	-0%	(1.58)	-0%	(1.04)
IRB Surat Dahisar Tollway Private Limited*	12%	6,070.74	13%	6,109.24	-1%	(40.86)	-5%	(317.05)	-24%	2.36	3%	0.11	-1%	(38.50)	-5%	(316.94)
IRB Kolhapur Integrated Road Development Company Private Limited	1%	396.59	2%	788.25	-5%	(391.66)	-6%	(414.68)	0%	-	0%	-	-5%	(391.66)	-6%	(414.68)
Aryan Hospitality Private Limited	-0%	(29.99)	0%	1.24	-0%	(31.23)	0%	0.43	0%	-	0%	-	-0%	(31.23)	0%	0.43
IRB Pathankot Amritsar Toll Road Private Limited	0%	96.28	1%	383.94	-4%	(288.43)	-7%	(416.91)	-8%	0.76	-0%	(0.00)	-4%	(287.67)	-7%	(416.91)
IRB Sindhudurg Airport Private Limited	-0%	(2.12)	-0%	(1.59)	-0%	(0.53)	-0%	(0.53)	0%	-	0%	-	-0%	(0.53)	-0%	(0.53)
IRB Talegaon Amravati Tollway Private Limited*	0%	124.25	0%	221.81	-1%	(97.78)	-2%	(153.44)	-2%	0.21	-23%	(0.84)	-1%	(97.57)	-2%	(154.28)
IRB Jaipur Deoli Tollway Private Limited*	2%	1,113.71	2%	1,121.98	-0%	(7.89)	-0%	(24.30)	4%	(0.37)	-5%	(0.20)	-0%	(8.27)	-0%	(24.51)
IRB Goa Tollway Private Limited	-1%	(536.64)	1%	341.00	-0%	(3.57)	-0%	(4.41)	0%	-	0%	-	-0%	(3.57)	-0%	(4.41)
MRM Highways Private Limited	-0%	(2.79)	-0%	(2.64)	-0%	(0.15)	-0%	(0.13)	0%	-	0%	-	-0%	(0.15)	-0%	(0.13)

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

(₹ in millions)

Name of the entity	Net Assets, i.e. total assets minus total liabilities				Share in Profit / (Loss)				Share in Other Comprehensive income / (Loss)				Share in Total Comprehensive income / (Loss)			
	March 31, 2017		March 31, 2016		March 31, 2017		March 31, 2016		March 31, 2017		March 31, 2016		March 31, 2017		March 31, 2016	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net profit	Amount	As % of consolidated net profit	Amount	As % of Other Comprehensive Income/ (Loss)	Amount	As % of Total Comprehensive Income/ (Loss)	Amount	As % of Total Comprehensive Income/ (Loss)	Amount	As % of Total Comprehensive Income/ (Loss)	Amount
MRM Mining Private Limited	0%	187.86	0%	191.08	-0%	(3.22)	-0%	(0.54)	0%	-	0%	-	-0%	(3.22)	-0%	(0.54)
IRB Ahmedabad Vadodara Super Express Tollway Private Limited	3%	1,785.92	8%	3,950.90	-30%	(2,161.59)	-8%	(481.58)	35%	(3.39)	0%	-	-30%	(2,164.97)	-8%	(481.58)
IRB Tumkur Chitradurga Tollway Private Limited*	1%	425.85	1%	372.50	1%	54.15	-1%	(87.85)	8%	(0.80)	-19%	(0.71)	1%	53.35	-1%	(88.56)
IRB Westcoast Tollway Private Limited	3%	1,774.77	3%	1,296.08	0%	15.85	0%	13.49	0%	-	0%	-	0%	15.85	0%	13.49
MVR Infrastructure and Tollways Private Limited*	1%	345.99	0%	223.79	2%	122.28	-0%	(16.85)	1%	(0.08)	1%	0.04	2%	122.20	-0%	(16.81)
Solapur Yedeshi Tollway Private Limited	2%	1,017.52	2%	747.77	0%	13.67	0%	21.26	0%	-	0%	-	0%	13.67	0%	21.26
Kaithal Tollway Private Limited	6%	3,251.16	3%	1,679.74	-0%	(28.59)	-0%	(0.26)	0%	-	0%	-	0%	(28.59)	-0%	(0.26)
Yedeshi Aurangabad Tollway Private Limited	4%	1,890.21	2%	1,124.31	0%	1.98	0%	23.81	0%	-	0%	-	0%	1.98	0%	23.81
AE Tollway Private Limited	4%	2,242.11	0%	0.50	0%	15.90	0%	-	0%	-	0%	-	0%	15.90	0%	-
Zozila Tunnel Tollway Private Limited	0%	0.40	0%	0.50	0%	(0.10)	0%	-	0%	-	0%	-	0%	(0.10)	0%	-
CG Tollway Private Limited	0%	0.50	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Kishangarh Gulabpura Private Limited	0%	0.50	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Udaipur Tollway Private Limited	0%	0.50	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Add: Adjustment for goodwill on consolidation	2%	1,115.40	2%	1,120.84	-0%	(5.44)	0%	(5.44)	0%	-	0%	-	0%	(5.44)	0%	(5.44)
Less: Non-controlling interest	0%	-	0%	-	0%	0.54	0%	(4.48)	0%	-	0%	-	0%	-	0%	-
	100%	52,715.98	100%	48,717.92	100%	7,154.74	100%	6,390.88	100%	(9.82)	100%	3.73	100%	7,144.39	100%	6,399.09
Partnership firm																
Modern Estate	100%	2011.00	0%	0.00	0%	0.00	0%	0.00	0%	0.00	0%	0.00	0%	0.00	0%	0.00

* These companies are included under Assets held for sale (refer note 30)

Note: The above figures are net of intra-group elimination.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Note 39 : Disclosures with regard to Toll Collection Rights (Intangible Assets)

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of concession since the appointed date	Construction completion date or scheduled construction completion date under the concession agreement, as applicable
1	Ideal Road Builders Private Limited	January 1, 1999	May 13, 2017	18 years and 6 months	December 31, 2003
2	Mhaiskar Infrastructure Private Limited	August 10, 2004	August 10, 2019	15 years	September 7, 2006
3	IRB Kolhapur Integrated Road Development Company Private Limited (1)	January 9, 2009	January 8, 2039	30 years	September 28, 2011
4	IRB Pathankot Amritsar Toll Road Private Limited	December 31, 2010	December 30, 2030	20 years	November 27, 2014
5	Thane Ghodbunder Toll Road Private Limited	December 24, 2005	December 23, 2020	15 years	June 23, 2007
6	Aryan Toll Road Private Limited	March 20, 2003	March 19, 2019	16 years	December 27, 2004
7	ATR Infrastructure Private Limited	September 25, 2003	September 24, 2021	18 years	December 20, 2005
8	IRB Ahmedabad Vadodara Super Express Tollway Private Limited	January 1, 2013	December 31, 2037	25 years	December 6, 2015
9	IRB Westcoast Tollway Private Limited	March 3, 2014	March 2, 2042	28 years	August 27, 2017
10	Solapur Yedeshi Tollway Private Limited	January 21, 2015	January 20, 2043	29 years	July 18, 2017
11	Yedeshi Aurangabad Tollway Private Limited	July 1, 2015	June 30, 2041	26 years	December 26, 2017
12	Kaithal Tollway Private Limited	July 15, 2015	July 14, 2042	27 years	January 9, 2018
13	AE Tollway Private Limited	August 1, 2016	July 31, 2040	24 years	January 27, 2019
14	Udaipur Tollway Private Limited	In the process of achieving Financial Closure	In the process of achieving Financial Closure	21 years from Appointed Date	In the process of achieving Financial Closure
15	CG Tollway Private Limited	In the process of achieving Financial Closure	In the process of achieving Financial Closure	20 years from Appointed Date	In the process of achieving Financial Closure
16	Kishangarh Gulabpura Tollway Private Limited	In the process of achieving Financial Closure	In the process of achieving Financial Closure	20 years from Appointed Date	In the process of achieving Financial Closure
17	IRB Surat Dahisar Tollway Private Limited	February 20, 2009	February 19, 2021	12 years	April 6, 2013
18	IRB Tumkur Chitradurga Tollway Private Limited	June 4, 2011	June 3, 2037	26 years	July 4, 2014
19	IDAA Infrastructure Private Limited	January 2, 2007	January 1, 2022	15 years	March 14, 2011
20	IRB Jaipur Deoli Tollway Private Limited	June 14, 2010	June 13, 2035	25 years	April 1, 2016
21	MVR Infrastructure & Tollways Private Limited	August 14, 2006	August 13, 2026	20 years	August 14, 2009
22	IRB Talegaon Amravati Tollway Private Limited	September 3, 2010	September 2, 2032	22 years	April 1, 2014

Notes:

(1) The Government of Maharashtra has vide Notification No. MUP-2016/C. R. 2/UD-19 dated February 3, 2016 stopped the collection of toll.

(2) The above BOT/ DBFOT projects shall have following rights/ obligations in accordance with the Concession Agreement entered into with the Respective Government Authorities:-

a. Rights to use the Sepcified assets

b. Obligations to provide or rights to expect provision of services

c. Obligations to deliver or rights to receive at the end of the Concession.

(3) The actual concession period may vary based on terms of concession agreement.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Note 40 : Hedging activities and derivatives

The Group uses foreign currency denominated borrowings to manage some of its transaction exposures.

Interest rate swap

The Group had an interest rate swap agreement whereby the Group receives a variable rate of interest and pays fixed interest rate. The swap is being used to hedge the exposure to changes in the value of its variable rate ECB secured loans. The increase/decrease in value of the interest rate swap has been recognised in finance costs.

Particulars of unhedged foreign currency exposure as at the balance sheet date

Purpose

Hedge against exposure to variable interest outflow on ECB loan. Swap to receive a variable rate equal to USD 6 month LIBOR plus margin 4.25% on the notional amount and pays fixed rate of interest of 5.80% on the notional amount.

a) Interest rate swaps outstanding as at balance sheet date (₹ in millions)

	March 31, 2017	March 31, 2016	April 1, 2015
Notional amount of USD Millions	128.30	129.50	130.22
Notional amount of INR Millions	8,318.58	8,590.06	8,150.35

b) Particulars of unhedged foreign currency exposure as at the balance sheet date (₹ in millions)

	March 31, 2017	March 31, 2016	April 1, 2015
i) External commercial borrowing (ECB)			
Amount in USD Millions	170.51	171.14	176.77
Amount in INR Millions	11,055.99	11,352.38	11,063.87
Closing rate of 1 USD	64.84	66.33	62.59
ii) Interest on ECB			
Amount in USD Millions	0.94	0.86	0.82
Amount in INR Millions	60.92	56.73	51.23
Closing rate of 1 USD	64.84	66.33	62.59

Note 41 : Deferral capitalisation of exchange difference

The Group had opted to defer/ capitalize exchange differences arising on long-term foreign currency monetary items in accordance with paragraph 46A of AS 11 under Previous GAAP. However, Ind AS 21 does not allow capitalisation of exchange differences arising from settlement of non-current non-monetory items in relation to acquisition of depreciable assets and required recognise the same to statement of comprehensive income. Ind AS 101 gives an exemption whereby the Group will continue its Previous GAAP policy for accounting for exchange differences arising from translation of non-current foreign currency monetary items recognised in the Previous GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. However, for any new non-current foreign currency monetary item recognized from the first Ind AS financial reporting period, the Group will follow Ind AS 21 for recognition of gain and losses.

(₹ in millions)

	March 31, 2017	March 31, 2016
Amount of exchange loss capitalised arising on non-current foreign currency loan	(261.20)	620.03

Note 42 : Details of dues to micro and small enterprises as per MSMED Act, 2006

There are no Micro and Small Enterprises as defined in the Micro and Small Enterprises Development Act, 2006 to whom the group owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro and Small Enterprises has been determined to the extent such parties has been identified on the basis of information available with the Group.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Note 43 : Fair Value

The carrying values of financials instruments of the group are reasonable and approximations of fair values.

(₹ in millions)

	Carrying amount			Fair Value		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Financial assets						
Financial assets measured at amortised cost						
Loans	104.13	112.74	103.67	104.13	112.74	103.67
Other Financial assets	2,099.15	3,042.87	1,753.37	2,099.15	3,042.87	1,753.37
Financial assets measured at fair value through statement of Profit & Loss						
Investments (quoted)	1,433.91	65.69	81.04	1,452.21	67.11	85.72
Financial assets measured at deemed cost						
Investments (unquoted)	6.67	295.36	295.36	6.67	295.36	295.36
Financial liabilities						
Financial liabilities measured at amortised cost						
Borrowings	139,564.96	156,243.15	128,855.88	139,564.96	156,243.15	128,855.88
Other financial liabilities	162,482.99	211,181.74	215,957.02	162,444.10	211,212.75	215,905.63

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

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The discount for lack of marketability represents the amounts that the Group has determined that market participants would take into account when pricing the investments.

Note 44 : Fair Value Hierarchy

All financial instruments for which fair value is recognised or disclosed 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) price is active market for identical assets or liabilities.

Level 2: Valuation technique for which the lowest level input that has a significant effect on the fair value measurement are observed, either directly or indirectly.

Level 3: Valuation technique for which the lowest level input has a significant effect on the fair value measurement is not based on observable market data.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017:

(₹ in millions)

Particulars	As on March 31, 2017	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Loans	104.13	-	-	104.13
Other financial assets	2,099.15	-	-	2,099.15
Investment (Quoted)	1,452.21	1,452.21	-	-
Investment (Unquoted)	6.67	-	-	6.67
Liabilities				
Borrowings	139,564.96	-	-	139,564.96
Other financial liabilities	162,444.10	-	-	162,444.10

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2016 :

(₹ in millions)

Particulars	As on March 31, 2016	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Loans	112.74	-	-	112.74
Other financial assets	3,042.87	-	-	3,042.87
Investments (quoted)	67.11	67.11	-	-
Investments (unquoted)	295.36	-	-	295.36
Liabilities				
Borrowings	156,243.15	-	-	156,243.15
Other financial liabilities	211,212.75	-	-	211,212.75

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of April 1, 2015 :

(₹ in millions)

	As on April 1, 2015	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Loans	103.67	-	-	103.67
Other financial assets	1,753.37	-	-	1,753.37
Investments (quoted)	85.72	85.72	-	-
Investments (unquoted)	295.36	-	-	295.36
Liabilities				
Borrowings	128,855.88	-	-	128,855.88
Other financial liabilities	215,905.63	-	-	215,905.63

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Note 45 : Financial risk management objectives and policies

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

In performing its operating, investing and financing activities, the Group is exposed to the Credit risk, Liquidity risk and Currency risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in millions)

Increase in basis points	March 31, 2017	March 31, 2016
- INR	50.00	50.00
- USD	50.00	50.00
Effect on profit before tax		
- INR	(642.48)	(724.39)
- USD	(0.85)	(0.86)
Decrease in basis points		
- INR	50.00	50.00
- USD	50.00	50.00
Effect on profit before tax		
- INR	642.48	724.39
- USD	0.85	0.86

Foreign currency exchange rate fluctuations risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when expense is denominated in a foreign currency) and the Group's foreign currency loan i.e. External Commercial Borrowings (ECB).

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary liabilities. The Group has

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

used exemption under Ind AS 101 for existing non-current foreign currency non-monetary items. The Group continues to apply the policy adopted for treatment of exchange differences arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset for items recognized on or before April 1, 2015 and hence, not considered in disclosure of foreign currency sensitivity. With all other variables held constant, the Group's profit before tax is affected through the impact on change of foreign currency rate on interest accrued but not due on ECB loans, as follows:

(₹ in millions)

	March 31, 2017	March 31, 2016
Increase in USD rate	5.00%	5.00%
- INR	(552.80)	(567.62)
Decrease in USD rate	5.00%	5.00%
- INR	552.80	567.62

Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt and overdraft from banks at an optimised cost.

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

(₹ in millions)

	Less than 1 year	1 to 5 years	> 5 years	Total
As at 31 March 2017				
Borrowings	18,668.26	31,774.23	89,122.48	139,564.97
Other financial liabilities	4,469.80	6,727.86	151,312.35	162,510.01
Trade payables	4,506.80	-	-	4,506.80
Total	**27,644.86**	**38,502.09**	**240,434.83**	**306,581.78**
	Less than 1 year	**1 to 5 years**	**> 5 years**	**Total**
As at 31 March 2016				
Borrowings	21,685.73	39,973.99	94,583.43	156,243.14
Other financial liabilities	6,796.54	17,586.00	186,847.71	211,230.25
Trade payables	3,087.92	-	-	3,087.92
Total	**31,570.19**	**57,559.99**	**281,431.14**	**370,561.32**
	Less than 1 year	**1 to 5 years**	**> 5 years**	**Total**
As at 1 April 2015				
Borrowings	16,409.69	41,335.21	71,110.99	128,855.89
Other financial liabilities	5,408.05	19,193.63	191,313.65	215,915.33
Trade payables	2,248.51	-	-	2,248.51
Total	**24,066.25**	**60,528.84**	**262,424.64**	**347,019.73**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

At present, the Group does expects to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.

Derivative financial instruments

The Group holds derivative financial instruments such as interest rate swap to mitigate the risk of changes in interest rates on foreign currency exposures. The counter party for these contracts is generally a bank . These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Note 46 : Capital management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2017 and March 31, 2016.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

(₹ in millions)

	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings (Note 17)	139,551.29	156,229.48	128,842.21
Less: Cash and cash equivalents (refer note 12)	(2,309.80)	(2,764.32)	(4,096.50)
Net debt	**137,241.49**	**153,465.16**	**124,745.71**
Equity (refer note 15 & 16)	52,715.98	48,362.92	44,506.33
Total equity	**52,715.98**	**48,362.92**	**44,506.33**
Capital and net debt	**189,957.47**	**201,828.08**	**169,252.04**
Gearing ratio (%)	72.25%	76.04%	73.70%

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

Note 47 : Details of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016 :

(Amount in ₹)

	SBNs	Other denomination notes	Total
Total Closing cash in hand as on 08.11.2016	122,530,500	98,143,679	220,674,179
(+) Permitted receipts	331,872,000	1,566,987,392	1,898,859,392
(-) Permitted payments	(2,557,500)	(80,610,421)	(83,167,921)
(-) Amount deposited in Banks	(451,845,000)	(1,392,994,749)	(1,844,839,749)
Closing cash in hand as on 30.12.2016	-	**191,525,901**	**191,525,901**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Note 48 : Dividend Distribution made

(₹ in millions)

	March 31, 2017	March 31, 2016
Cash dividend on equity shares declared and paid :		
Interim dividend for the year ended March 31, 2017: ₹ 2/- per share (March 31, 2016 ₹ 6/- per share)	702.90	2,108.70
DDT on interim dividend	143.09	429.29
Total	**845.99**	**2,537.99**

Note 49 : Disclosure under Ind AS 11 - Construction Contracts

(₹ in millions)

Particulars	March 31, 2017	March 31, 2016
Contract Revenue recognised as revenue in the year	33,042.44	27,221.72
For Contracts that are in progress :	-	-
(a) Aggregate amount of costs incurred upto the reporting date	48,620.44	46,430.41
(b) Recognised profits (less recognised losses) upto the reporting date	18,256.56	22,907.74
(c) Advances received from customer for contract work	-	-
(d) Retention money	-	-
Gross amount due from customers for contract work	-	-
Gross amount due to customers for contract work	-	-

Note 50 : Donation

During the current year, donation given to political parties amounting to ₹ 120.00 millions (Previous year - Nil). This comprises of Donation given to Shivsena Nivadnuk Madhyavarti Karyalaya ₹ 20.00 millions and Bharatiya Janta Party ₹ 100.00 millions.

Note 51 : Arbitration award - IRB Goa

During the current year, pursuant to the measures approved by the Cabinet Committee on Economic Affairs ("CCEA") for revival of the construction sector, IRB Goa Tollway Private Limited (IRB Goa) has received from National Highways Authority of India (NHAI) ₹ 2,418.90 millions against bank guarantee submitted by IRB Goa as 75% of the Arbitral Award amount pronounced by the Arbitral Tribunal.

Note 52 : First-time adoption of Ind AS

As stated in Note 2, the financial statements for the year ended March 31, 2017 would be the first annual financial statements prepared in accordance with Ind AS. These financial statements for the year ended March 31, 2017 are prepared in compliance with Ind AS. The adoption was carried out in accordance with Ind AS 101 using Balance sheet as at April 01, 2015 as the transition date. The transition was carried out from Indian GAAP, which was considered as the previous GAAP. All applicable Ind AS have been applied consistently and retrospectively, wherever, required.

Accordingly, the group has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies.

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

A) Deemed cost

Since, there is no change in the functional currency, the Group has elected to continue with the carrying value for all of its property, plant and equipment (PPE) and other intangible assets as recognised in its previous GAAP financial as deemed cost at the transition date.

B) Exchange differences

The Group has opted for exemption under para D13AA for existing non-current foreign currency monetary items where the Group can continue the policy adopted for treatment of exchange differences arising on non-current foreign currency monetary items pertaining to the acquisition of a depreciable asset for items recognized on or before March 31, 2015. For detailed note, refer note 41.

C) Business combinations

Ind AS 103 Business Combinations has not been applied to acquisitions, which are considered as business combination under Ind AS that occurred before 1 April 2015. The carrying amounts of assets and liabilities in accordance with previous GAAP are considered as their deemed cost at the date of acquisition. After the date of the acquisition, measurements is in accordance with Ind AS. The carrying amount of goodwill in the opening Ind AS balance sheet is its carrying amount in accordance with the previous GAAP.

Estimates

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

Reconciliation of equity as previously reported under Previous GAAP to Ind AS

(₹ in millions)

	Foot-note	Opening Balance Sheet as on April 1, 2015			Balance Sheet as on March 31, 2016		
		Previous GAAP	Adjustments	Ind AS	Previous GAAP	Adjustments	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment		2,834.75	-	2,834.75	2,698.20	-	2,698.20
Capital work in progress		804.02	-	804.02	784.05	-	784.05
Goodwill on consolidation		1,126.28	-	1,126.28	1,120.84	-	1,120.84
Other intangible assets		313,676.54	-	313,676.54	347,669.15	-	347,669.15
Intangible assets under development		47,549.25	-	47,549.25	39,414.40	-	39,414.40
Financial assets							
i) Investments		8.20	-	8.20	7.81	-	7.81
ii) Loans		55.28	-	55.28	50.03	-	50.03
iii) Other receivables		849.68	-	849.68	883.66	-	883.66
Deferred tax assets	4	2,566.80	(16.61)	2,550.19	3,384.30	(6.90)	3,377.40
Other non-current assets		468.09	-	468.09	242.83	-	242.83
		369,938.89	**(16.61)**	**369,922.28**	**396,255.27**	**(6.90)**	**396,248.37**
Current assets							
Inventories		2,598.50	-	2,598.50	3,088.41	-	3,088.41
Financial assets							
i) Investments	1	368.20	4.68	372.88	348.55	6.10	354.65
ii) Trade receivable		58.38	-	58.38	86.63	-	86.63
iii) Cash and cash equivalents		4,096.50	-	4,096.50	2,764.32	-	2,764.32
iv) Bank balance other than above (iii)		11,201.87	-	11,201.87	12,243.47	-	12,243.47

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

	Foot-note	Opening Balance Sheet as on April 1, 2015			Balance Sheet as on March 31, 2016		
		Previous GAAP	Adjustments	Ind AS	Previous GAAP	Adjustments	Ind AS
v) Loans		48.39	-	48.39	62.71	-	62.71
vi) Other receivables		903.69	-	903.69	2,159.21	-	2,159.21
Current tax assets (Net)		611.07	-	611.07	443.20	-	443.20
Other current assets		3,968.29	-	3,968.29	4,208.55	-	4,208.55
		23,854.89	**4.68**	**23,859.57**	**25,405.05**	**6.10**	**25,411.15**
Total assets		**393,793.78**	**(11.93)**	**393,781.85**	**421,660.32**	**(0.80)**	**421,659.52**
Equity							
Equity share capital		3,514.50	-	3,514.50	3,514.50	-	3,514.50
Share premium		14,060.09	-	14,060.09	14,060.09	-	14,060.09
Other equity	3	26,034.06	897.68	26,931.74	30,697.73	90.60	30,788.33
Total equity		**43,608.65**	**897.68**	**44,506.33**	**48,272.32**	**90.60**	**48,362.92**
Non-controlling interests		350.51	-	350.51	355.00	-	355.00
LIABILITIES							
Non-current liabilities							
Financial liabilities							
i) Borrowings	6	111,192.70	(14.78)	111,177.92	132,848.70	(9.01)	132,839.69
ii) Other financial liabilities		211,616.75	-	211,616.75	206,115.69	-	206,115.69
Provisions		900.20	-	900.20	1,278.19	-	1,278.19
Deferred tax liabilities (net)		102.91	-	102.91	42.17	-	42.17
Other non-current liabilities		-	-	-	-	-	-
		323,812.56	**(14.78)**	**323,797.78**	**340,284.75**	**(9.01)**	**340,275.74**
Current liabilities							
Financial liabilities							
Borrowings		6,290.55	-	6,290.55	11,887.13	-	11,887.13
Trade payables		2,248.51	-	2,248.51	3,087.92	-	3,087.92
Other financial liabilities	2	15,743.24	(51.39)	15,691.85	16,713.27	(82.39)	16,630.88
Provisions	5	884.81	(843.44)	41.37	92.00	-	92.00
Other current liabilities		457.79	-	457.79	669.50	-	669.50
Liabilities for current tax (net)		397.16	-	397.16	298.43	-	298.43
		26,022.06	**(894.83)**	**25,127.23**	**32,748.25**	**(82.39)**	**32,665.86**
Total liabilities		**349,834.62**	**(909.61)**	**348,925.01**	**373,033.00**	**(91.40)**	**372,941.60**
Total equity and liabilities		**393,793.78**	**(11.93)**	**393,781.85**	**421,660.32**	**(0.80)**	**421,659.52**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Reconciliation of Statement of Profit and loss for the year ended March 31, 2016

(₹ in millions)

Particulars	Foot note	Previous GAAP	Adjustments	Ind AS
Income				
Revenue from operations		51,279.45	-	51,279.45
Other income	1	1,239.18	32.43	1,271.61
Total income		**52,518.63**	**32.43**	**52,551.06**
Expenses				
Cost of material consumed		3,712.98	-	3,712.98
Road work and site expenses		16,825.33	-	16,825.33
Employee benefits expense	3	2,461.33	3.73	2,465.06
Finance costs	2, 6	8,527.66	5.77	8,533.43
Depreciation and amortisation expenses		10,639.18	-	10,639.18
Other expenses		1,673.47	-	1,673.47
Total expenses		**43,839.95**	**9.50**	**43,849.45**
Profit / (loss) before tax		**8,678.68**	**22.93**	**8,701.61**
Tax expenses				
Current tax		3,164.49	-	3,164.49
Deferred tax	4	(848.53)	(9.71)	(858.24)
Total tax expenses		**2,315.96**	**(9.71)**	**2,306.25**
Profit/(loss) after tax		**6,362.72**	**32.64**	**6,395.36**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement gains/(losses) on defined benefit plans (net of tax)	3	-	3.73	3.73
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	3.73	3.73
Other comprehensive income for the year, net of tax		-	3.73	3.73
Total comprehensive income for the year, net of tax		**6,362.72**	**36.37**	**6,399.09**

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

Note 1 : Fair value of mutual fund investments

Under previous GAAP, Mutual fund investments were valued at cost or market value whichever is lower. As per Ind AS 109, mutual fund investments needs to be stated at fair value. The difference between fair value and book value as on April 01, 2015 has been recognised through retained earnings.

Note 2 : Discounting of non current loans given / taken and retention money

Under previous GAAP, non current interest free unsecured loans (tenure ranging from 5 to 7 years) given/ taken and Retention money were stated at historical cost. As per Ind AS 109 "Financial instruments" need to be recognised initially at fair value. As per Ind AS 113, level III hierarchy has been used to fair value these loans and retention money as neither the quoted prices for loans and retention money are available (Level I) nor significant observable comparative inputs are available. Under Level III Income approach - Discounting cash flow method has been used to fair value these loans and retention money retrospectively. The difference between the carrying amount of the loan and the present value of the loan as on April 01, 2015 has been recognised through retained earnings.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Note 3 : Remeasurement gain/losses on Defined Benefit Obligation

Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit and loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses) are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI).

Note 4 : Deferred tax

Under previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences.

Note 5 : Proposed dividend

Under previous GAAP, proposed dividends including dividend distribution tax are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under IND AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Company (usually when approved by shareholders in a general meeting) or paid.

In the case of the Company, the declaration of dividend occurs after period end. Therefore, the liability of ₹ 843.44 millions for the year ended on March 31, 2015 recorded for dividend has been derecognised against retained earnings on April 1, 2015. The dividend has been recognised in the year March, 2016 on actual declaration of dividend.

Note 6 : Borrowings

Under previous GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to statement of profit and loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

Note 7 : To comply with the Companies (Accounting Standard) Rules, 2006, certain account balances have been regrouped as per the format prescribed under Division II of Schedule III to the Companies Act, 2013.

Consolidated Statement of cash flows

The transition from Previous GAAP to Ind AS has not had a material impact on the Consolidated statement of cash flows.

Note 53 : Significant accounting judgement, estimates and assumptions

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

Estimates and assumptions

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

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Notes to Consolidated Financial Statements

Resurfacing Expenses

As per the Service Concession Agreements, the Group is obligated to carry out resurfacing of the roads under concession. The Group estimates the likely provision required towards resurfacing and accrues the costs on a straight line basis over the period at the end of which resurfacing would be required, in the statement of profit and loss in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date. The present value of the defined benefit obligation is based on expected future payments at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 35 for details of the key assumptions used in determining the accounting for these plans.

Note 54

(a) During the year ended March 31, 2017, the Group has paid/accrued ₹ 2,875.11 millions (March 31, 2016: ₹ 2,571.14 millions) as Revenue Share to National Highways Authority of India ("NHAI") out of its toll collection in accordance with the Concession Agreements entered with NHAI. Income from Operations in the financials for the above periods is net off the above Revenue Share to NHAI.

(b) During the year ended March 31, 2015, the Group has received approval of NHAI for premium deferment for Ahmedabad Vadodara Super project as well as Tumkur Chitradurga project. The Scheme is applicable to both Projects from FY14-15 onwards. Such deferred premium is included in non current / Other current liabilities.

(c) Three subsidiary companies i.e. IRBAV, IRBTC and MVR have been awarded contracts on a DBFOT basis. As per the terms of the concession agreement, the companies are obligated to pay an amount of ₹ 218,633.62 millions to NHAI as additional concession fee over the concession period. Accordingly, from financial year 2014-15 ,liability for the entire amount of concession fee payable has been created and the corresponding amount is shown as Toll Collection Rights under the head Intangible Assets.

(d) During the year AETPL has entered into a Concession agreement (CA) with NHAI for a period of 24 years. As per the terms of the CA, AETPL has agreed to pay a premium in the form of "Additional Concession Fee" equal to ₹ 810.00 millions for the first year and each subsequent year such premium shall be determined by increasing the amount of premium in the respective year by an additional 5% as compared to the immediately preceding year. Management based on the legal opinion obtained and their evaluations of the terms of the CA, believes that such premium payable is restricted to the toll collection during the year and is in the form of revenue sharing arrangement. Accordingly, the premium payable for the year is accounted for as revenue share.

Note 55 : Corporate Social Responsibility

(₹ in millions)

March 31, 2017:			
(a) Gross amount required to be spent by the Company during the year	-	-	166.41
(b) Amount spent during the year on:			
Particulars	**In cash**	**Yet to be paid in cash**	**Total**
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	401.00	3.97	404.97
March 31, 2016:			
(a) Gross amount required to be spent by the Company during the year	-	-	137.25
(b) Amount spent during the year on:			
Particulars	**In cash**	**Yet to be paid in cash**	**Total**
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	158.91	45.08	203.99

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Note 56:

On March 9, 2007, Aryan Infrastructure Investments Private Limited (AIIPL) had awarded a contract to Aryan Constructions (a proprietary concern of Sh. V. D. Mhaiskar (HUF) for ₹ 22,600.00 millions to provide amenities like internal roads, sanitation system, power supply, water supply and other utilities for the real estate project at Mauje Taje and Mauje Pimpoli Taluka, Pune. As per the terms of the agreement, AIIPL had given total advance of ₹ 2,040.00 millions in the Year 2007 and 2008 to Aryan Constructions to execute the above contract. Later on, in July 2007, AIIPL became subsidiary of IRB Infrastructure Developers Limited.

However, the work on the proposed township could not be accelerated due to recessionary conditions witnessed by the real estate sector since 2008. As a result the pace of execution of work had also slowed down. AIIPL has been up-keeping the property through Aryan Constructions. Aryan Constructions holds 34% in AIIPL.

Later on, Aryan Constructions had agreed with the subsidiary that the work awarded to Aryan Constructions under the subject agreement will be executed by March 31, 2017 as per the agreement. If for any reason, the infrastructure development work awarded to Aryan Constructions does not get substantially completed till its estimated time of completion i.e. by March 31, 2017 as per the aforesaid contract, then Aryan Constructions undertake that :

1. Contract given to Aryan Constructions will be terminated as per contract terms, in March 31, 2017 and the then outstanding advance, if any will be returned to AIIPL by Aryan Constructions;
2. In case Aryan Constructions are unable to return the outstanding advance, Aryan Constructions affirm that AIIPL is entitled to recover the outstanding mobilisation advance by appropriating the sale proceeds of Aryan Constructions share holding in AIIPL, which Aryan Constructions undertake to sell to Group or any other person interested to acquire the same at the then market determined valuation to the extent of then outstanding mobilisation advance.

In order to substantiate/support the undertaking given, Aryan Constructions has pledged the shares with the Group as security.

Accordingly, Aryan Construction has returned the outstanding advance to AIIPL during the current year as per in accordance with the undertaking.

Note 57 : Intra-group turnover and profits on BOT construction contracts

The BOT contracts are governed by Service concession agreements with government authorities (grantor). Under these agreements, the operator does not own the road, but gets "toll collection rights" against the construction services incurred. Since the construction revenue earned by the operator is considered as exchanged with the grantor against toll collection rights, profit from such contracts is considered as realised.

Accordingly, BOT contracts awarded to group companies (operator), where work is subcontracted to fellow subsidiaries, the intra group transactions on BOT contracts and the profits arising thereon are taken as realised and not eliminated for consolidation under Ind AS 110 "Consolidated financial statement"

The revenue and profit in respect of these transactions during the year is ₹ 34,709.04 millions (FY 2015-16 - ₹ 28,396.71 millions) and ₹ 10,681.63 millions (FY 2014-15 - ₹ 9,008.96 millions) respectively.

Note 58 :

As per Article 25 of the respective Concession Agreement with the National Highways Authority of India ('NHAI' or 'the Grantor'), the Concessionaires are entitled to receive Grant for meeting the part of the project cost subject to the conditions laid down in the concession agreement. The details are as under:

(₹ in millions)

Name of the Company	Eligible for Grant	Grant received in FY 2014-15	Grant received in FY 2015-16	Grant received in FY 2016-17	Grant yet to be received
IRBJD	3,060.00	3,060.00	-	-	-
IRBTA	2,160.00	2,134.57	-	-	25.43
IRBPA	1,269.00	1,269.00	-	-	-
SYTPL	1,890.00	-	-	1,391.70	498.30
KTPL	2,340.00	-	-	1,533.79	806.21
IRBWT	5,362.20	-	-	4,512.30	849.90
Total	**16,081.20**	**6,463.57**	**-**	**7,437.79**	**2,179.84**

Notes to Consolidated Financial Statements

Note 59 :

In view of prevalent local conditions, Maharashtra State Road Development Corporation (MSRDC) had directed to suspend toll collection of the Company's wholly owned subsidiary viz. IRB Kolhapur Integrated Road Development Company Private Limited (IRBK). MSRDC had informed that a proposal for buy back of the toll project of IRBK is under consideration of the Government of Maharashtra (GoM). Accordingly on August 26, 2015, a committee was formed by the GoM to find an amicable solution for valuation of the project. Further vide letter dated December 29, 2015, GoM has reiterated to IRBK not to re-commence toll collection and informed that the Committee is in process of determining the compensation value. Based on legal advice the management believes that it will be able to recover the carrying value of its assets by way of buy-back / compensation and in the alternative can recommence the toll collection in case the matter is not resolved.

Note 60 :

Pursuant to the demonetization, Concessioning authority announced stoppage of toll collection at all toll roads in India from November 09, 2016 until December 02, 2016. The Group has claimed compensation of ₹ 1,517.47 millions (Previous year: ₹ Nil) as per relevant concession agreement with the authority.

Note 61 :

No subsequent event has been observed which may require an adjustment to the balance sheet.

The Company is the 'Sponsor' of the IRB InvIT Fund ("the Trust"), an Infrastructure Investment Trust registered with SEBI under InvIT Regulations, 2014, as amended. Subsequent to year end, the Company and fellow subsidiaries have successfully transferred the investments in six subsidiary companies viz. IRB Surat Dahisar Tollway Private Limited, IRB Talegaon Amravati Tollway Private Limited, IDAA Infrastructure Private Limited, IRB Tumkur Chitradurga Tollway Private Limited, IRB Jaipur Deoli Tollway Private Limited and MVR Infrastructure and Tollways Private Limited at book value to IRB InvIT Fund, pursuant to Initial Public Issue in the month of May, 2017, for a total consideration of ₹ 11,750.00 millions (includes Offer for sale of ₹ 2,870.00 millions and units of ₹ 8,880.00 millions). Pursuant to this transaction, the Company holds 15% units in IRB InvIT Fund.

The concession period of Thane Bhiwandi Bypass project was successfully completed on May 13, 2017. The project involved Improvement and Maintenance of Thane Bhiwandi Bypass including widening of existing 2 Lane Road to 4 Lane Road and Construction of New 2 Lane Bridge on Kasheli Creek. [From Km (-) 0/115 to 23/509 under BOT Scheme with Toll Rights] The Company has handed over the Project to the Ministry of Road Transport & Highways (MORTH)/ PWD – Government of Maharashtra.

The Board of Directors at its meeting held on May 30, 2017 has recommended a dividend of ₹ 3 per equity share.

Note 62 :

Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to current year classification.

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per Amyn Jassani
Partner
Membership No.: 46447

For Gokhale & Sathe
Chartered Accountants
ICAI Firm Registration No.: 103264W

per Jayant Gokhale
Partner
Membership No.: 33767

Place: Mumbai
Date: May 30, 2017

For and on behalf of the Board of Directors of
IRB Infrastructure Developers Limited

Virendra D. Mhaiskar
Chairman and Managing Director
DIN: 00183554

Deepali V. Mhaiskar
Director
DIN: 00309884

Anil D. Yadav
Chief Financial Officer

Mehul Patel
Company Secretary

Place: Mumbai
Date: May 30, 2017