

BOARD'S REPORT

The Directors of your Company are pleased to present their Report and the Company's audited financial statements for the financial year ended March 31, 2017.

FINANCIAL RESULTS/FINANCIAL HIGHLIGHTS

Particulars	2016-17	2015-16
	₹ in Crore	₹ in Crore
Profit Before Depreciation, exceptional and extra ordinary items & Tax	(1.24)	(1.86)
Less: Depreciation, amortization and obsolescence	–	–
Add: Transfer from Revaluation Reserve	–	–
Profit before exceptional and extraordinary items and tax	(1.24)	(1.86)
Add: Exceptional Items	–	–
Profit before extraordinary items and tax	(1.24)	(1.86)
Add: Extraordinary items	–	–
Profit/(Loss) before tax	(1.24)	(1.86)
Less: Provision for tax	(0.37)	(0.34)
Profit after tax from continuing operations	0.87	1.52
Profit for the period carried to the balance sheet	0.87	1.52
Add: Balance brought forward from previous year	17.74	16.21
Less: Dividend paid for the previous year (Including dividend distribution tax)	–	–
Balance available for disposal (which directors appropriate as follows)	18.61	17.74
Balance carried to Balance Sheet	18.61	17.74

STATE OF COMPANY AFFAIRS

The board at its meeting held on January 17, 2017 had approved the Scheme of Amalgamation of the Company with L&T Infrastructure Development Projects Limited (Holding Company) and that the proposed scheme of amalgamation would bring in economics of scale of operations and reduce the administrative cost, could accelerate the growth in overall profitability of the operations. The Company is in the process of obtaining a Merger Order from the concerned authorities.

The gross revenue and other income for the financial year under review were ₹ 2.25 crore as against ₹ 2.44 crore for the previous financial year. The profit before tax from continuing operations including extraordinary and exceptional items was ₹ 1.25 crore and the profit after tax from continuing operations including extraordinary and exceptional items of ₹ 0.87 crore for the financial year under review as against ₹ 1.87 crore and ₹ 1.52 crore respectively for the previous financial year.

CAPITAL & FINANCE

The Company has not raised fundsthrough issue of securities or availing term loans.

CAPITAL EXPENDITURE

There was no capital expenditure during the year.

DEPOSITS

The Company has not accepted deposits from the public and no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company did not have any requirement to transfer funds to Investor Education and Protection Fund during the year under review.

SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

Your company does not have any Subsidiary/Associate/Joint Venture Company.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY

Since the Company is engaged in the business of developing infrastructure facility, the provisions of Section 186 except sub-section (1) of the Companies Act, 2013 (Act) are not applicable to the Company. However the details of loans given, investments made and guarantees/securities provided by the Company are given in the Note to accounts of this Annual Report.

L&T WESTERN INDIA TOLLBRIDGE LIMITED

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions were in the ordinary course of business and at arm's – length.

All related party transactions (RPT) during the year have been approved in terms of the Act, adhere to the RPT Policy of its Holding Company and guidelines thereunder.

There was no material contracts or arrangements entered during the year and the disclosure as per Form AOC-2 is given to this Report in Annexure I.

AMOUNT TO BE CARRIED TO RESERVE

Appropriation of profits to any specific reserve is not applicable to the Company.

DIVIDEND

The Board of Directors of your company has not declared any dividend for the year under review.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

No material changes and commitments have occurred affecting the financial position of the Company between the end of the financial year and the date of this report.

DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

The Arbitral tribunal awarded amount of ₹ 6806.68 lakh to the Company pertaining to various claims against Ministry of Road Transport and Highways (MORTH) pursuant to Company. Consequently the MORTH/Government of India filed an appeal against the Arbitral Award. Your company also filed its replies before the Honourable Court in these matters.

The pending appeal of Ministry of Road Transport and Highways (MORTH), in term of the policy mooted by the NITI AAYOG, has decided to pay 75% of the total Award amount against the bank guarantee. Accordingly your company has received 75% of awarded amount of ₹ 6806.68 lakh against the bank guarantee.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In view of the nature of activities which are being carried on by the Company, Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, conservation of energy and technology absorption does not apply to the Company.

There were no foreign exchange earnings or outgo during the year.

CORPORATE SOCIAL RESPONSIBILITY

Since your Company does not exceed any of the threshold limits specified under section 135 of the Act, it is not required under the said Act to spend during the year any amount on Corporate Social Responsibility.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED/RESIGNED DURING THE YEAR

Mr. P. G. Suresh Kumar, Director, who retired by rotation at the Annual General Meeting held on September 29, 2016 was reappointed as a Director of the Company.

Mr. Mathew George was appointed as Additional Director of the Company on October 19, 2016, hold office upto the Conclusion of the 18th Annual General Meeting.

Mr. Vishal Mathur resigned as Director of the Company on September 30, 2016.

The Board of Directors of the Company as on March 31, 2017 are as follows:

S. No.	Name	Designation	Din
1	Mr. P. G. Suresh Kumar	Director	07124883
2	Mr. R. G. Ramachandran	Director	02671982
3	Mr. Mathew George	Additional Director	07402208
4	Mr. N. Raghavan	Independent Director	00251054
5	Mr. AshwinMahalingam	Independent Director	05126953

The Key Managerial Personnel (KMP) of the Company as on March 31, 2017 are as given below:

S. No.	Name	Designation
1	Mr. NeelkantUpadhyay	Manager
2	Ms. DhanyaThiagarajan	Chief Financial Officer
3	Mr. Ganesh Ramachandran	Company Secretary

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings.

During the year, four Board Meetings were held and the details are given below:

Date	Board	No of Directors Present
April 28, 2016	5	4
July 13, 2016	5	4
October 19, 2016	4	3
January 17, 2017	5	5

INFORMATION TO THE BOARD

The Board of Directors has complete access to the information within the Company which inter alia includes:

- Annual revenue budgets and capital expenditure plans
- Quarterly financials and results of operations
- Financing plans of the Company
- Minutes of the meeting of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee
- Report on fatal or serious accidents
- Any materially relevant default, if any, in financial obligations to and by the Company
- Any issue which involves possible public or product liability claims of substantial nature, including any Judgement or Order, if any, which may have strictures on the conduct of the Company
- Development in respect of human resources
- Compliance or non-compliance of any regulatory, statutory nature or listing requirements and investor service
- An Action Taken Report is presented to the Board

Presentations are made regularly to the Board (minutes of meetings are circulated to the Board). Presentations, inter alia cover business strategies, management structure, HR policy, management development and planning, half-yearly and annual results, budgets, treasury, review of Internal Audit, risk management, operations of subsidiaries and associates, etc. Independent Directors have the freedom to interact with the Company's management.

AUDIT COMMITTEE

The Company has constituted an Audit Committee in terms of the requirements of the Act comprising of Mr. N. Raghavan, Dr. Ashwin Mahalingam and Mr. P. G. Suresh Kumar.

The terms of reference of the Audit Committee are in line with the provisions of the Act read with the rules made thereunder.

During the year, four audit committee meetings were held and the details are given below:

Date	Strength of the Committee	No. of members present
April 28, 2016	3	3
July 13, 2016	3	2
October 19, 2016	3	2
January 17, 2017	3	3

COMPANY POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION

The Company has constituted the Nomination and Remuneration Committee in accordance with the requirements of the Companies Act, 2013 read with the rules made thereunder comprising of Mr. N. Raghavan, Dr. Ashwin Mahalingam and Mr. P. G. Suresh Kumar.

The terms of reference of the Nomination and Remuneration Committee are in line with the provisions of the Act.

During the year, two Nomination & Remuneration committee meetings were held and the details are given below:

Date	Strength of the Committee	No. of members Present present
October 19, 2016	3	2
January 17, 2017	3	3

The Committee had formulated a policy on Director's appointment and remuneration including recommendation of remuneration of the KMP and the criteria for determining qualifications, positive attributes and independence of a Director.

DECLARATION OF INDEPENDENCE

The Company has received a declaration of independence as stipulated under Section 149(7) of the Act confirming that he/she is not disqualified from continuing as an Independent Director.

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms that:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a going concern basis; and;
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

The Nomination and Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, Committees, Chairman and individual Directors has to be made.

It includes circulation of questionnaires to all Directors for evaluation of the Board and its Committees, Board composition and its structure, its culture, Board effectiveness, Board functioning, information availability, etc. These questionnaires also cover specific criteria and the grounds on which all Directors in their individual capacity will be evaluated.

Due to non-availability of Independent Directors, the meeting of Independent Directors could not be held during the calendar year 2016.

The inputs given by all the Directors were discussed in the meeting of the Independent Directors held on March 20, 2017 in accordance with Schedule IV of the Act. The performance evaluation of the Board, Committees, Chairman and Directors was also reviewed by the Nomination and Remuneration Committee and the Board of Directors.

DISCLOSURE OF REMUNERATION

There are no employees in the company covered by the provisions Section 197 of the Act read with rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

PROTECTION OF WOMEN AT WORKPLACE

L&T IDPL, the Holding Company has formulated a policy on 'Protection of Women's Rights at Workplace' which was approved at its Board Meeting held on July 13, 2016 which has been adopted by the Company. The policy has been widely disseminated. There were no cases of sexual harassment during FY 2016-17.

AUDITORS

STATUTORY AUDITORS

The Company in the 16th Annual General Meeting held on September 23, 2015 for the FY 2015-16 had appointed M/s. Sharp & Tannan., Chartered Accountants, (Firm Reg No: 003792S), as Auditors of the Company to hold office from the conclusion of that Annual General Meeting until the conclusion of the 18th Annual General Meeting of the Company to be held during the year 2017.

The Auditors' report for the financial year 2016-17 is unqualified and there are no emphasis on matters. The Notes to the accounts referred to in the Auditors' report are self-explanatory and do not call for any further clarifications under Section 134(3)(f) of the Act.

SECRETARIAL AUDITOR

Your company is not attracted by the provisions of section 204 of the Act pertaining to secretarial audit.

COST AUDITOR

Your company is not attracted by the provisions of Section 148 of the Act and Rule 3 and 4 of the Companies (Cost Records and Audit) Amendment Rules, 2015 pertaining to cost audit.

EXTRACT OF ANNUAL RETURN:

As per the provisions of Section 92(3) of the Act, an extract of the Annual Return in form MGT-9 is attached to this Report as Annexure II.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the customers, supply chain partners, employees, Financial Institutions, Banks, Central and State Government authorities, Regulatory authorities, and all the various stakeholders for their continued co-operation and support to the Company. Your Directors also wish to record their appreciation for the continued co-operation and support received from the Associates.

For and on behalf of the Board

R. G. RAMACHANDRAN

Director
DIN: 02671982

P. G. SURESH KUMAR

Director
DIN: 07124883

Place : Chennai
Date : April 27, 2017

ANNEXURE I

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis

The Company has not entered into such transactions during the year.

2. Details of material contracts or arrangement or transactions at arm's length basis

The Company has not entered into such transactions during the year.

Date(s) of approval by the Board, if any – April 27, 2017

For and on behalf of the Board

Place : Chennai
Date : April 27, 2017

R. G. RAMACHANDRAN

Director
DIN: 02671982

P. G. SURESH KUMAR

Director
DIN: 07124883

ANNEXURE II**Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on March 31, 2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	U45203TN1999PLC042518
Registration Date	20/05/1999
Name of the Company	L&T Western India Tollbridge Limited
Category/Sub-Category of the Company	Company Limited By Shares/Indian Non-Government Company
Address of the Registered office and contact details	P. O. Box. 979, Mount Poonamallee Road, Manapakkam, Chennai – 600089
Whether listed Company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	NSDL Database Management Limited.* 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013. (Phone: +91 22 49142700)

*NSDL Database Management Limited was appointed as Registrar and Share Transfer Agent at the Board Meeting held on July 15, 2016 and the services were transferred from Sharepro Services Limited w.e.f September 30, 2016.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

S. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
NIL			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. No.	Name and CIN/GLN of the Company	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
1	L&T Infrastructure Development Projects Limited U65993TN2001PLC046691	Holding	100%	2(46)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.									
e) Banks/FI									
f) Any Other....									
Sub-total (A)(1):-	13949999	6*	13950005	99.99	13950001	6*	13950007	100	NIL
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any Other....									
Sub-total (A)(2):-									
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	13949999	6*	13949999	99.99	13950001	6*	13950007	100	NIL

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B Public Shareholding	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
1. Institutions									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2	–	2	0.01	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
Sub-total (B)(2):-	2	–	2	0.01	–	–	–	–	–
Total shareholding of Promoter (B)=(B)(1)+ (B)(2)	2	–	2	0.01	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	13950001	6*	13950007	100	13950001	6*	13950007	100	–

*Shares are held by nominees of L&T Infrastructure Development Projects Limited.

(ii) **Shareholding of Promoters**

S. No.	Shareholder's Name	No. of Shares held as on April 1, 2016			No. of Shares held as on March 31, 2017			% change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Share	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	L&T Infrastructure Development Projects Limited (with nominees)	13950005	99.99%	Nil	13950007	100%	NIL	0.01
	Total	13950005	99.99%	Nil	13950007	100%	NIL	0.01

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	No. of shares	% of total shares of the Company	Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company
1	As on April 1, 2016	13950005	99.99	13950005	99.99
2	Transferred on March 31, 2017 to L&T Infrastructure Development Projects Limited.	2	0.01	2	0.01
3.	As on March 31, 2017	13950007	100	13950007	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the Company	Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company
1.	As on April 1, 2016	2	0.01	2	0.01
2.	Transferred on March 31, 2017 to L&T Infrastructure Development Projects Limited.	2	0.01	–	–
3.	As on March 31, 2017	–	–	–	–

(v) Shareholding of Directors and Key Managerial Personnel:

No shares of the company were held by the Directors and/or Key Managerial Personnel.

V. INDEBTEDNESS

The Company does not have outstanding Loans for the year ending March 31, 2017

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/WT/Manager	Total Amount
		Manager: Neelkant Upadhyay	
1.	Gross salary	₹ 28,10,096	₹ 28,10,096
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission	NIL	NIL
	- as % of profit		
	- others, specify...		
5.	Others, please specify	NIL	NIL
	Total (A)	₹ 28,10,096	₹ 28,10,096
	Ceiling as per the Act		₹ 84,00,000

B. Remuneration to other directors:

S. No.	Particulars of Remuneration	Name of Directors		Total Amount in ₹
1.	Independent Directors	Dr. Ashwin Mahalingam	Mr. N. Raghavan	
	Fee for attending board/committee meetings			
	Commission	₹ 1,15,000	₹ 1,60,000	₹ 2,75,000
	Others, please specify	—	—	—
	Total (1)	₹ 1,15,000	₹ 1,60,000	₹ 2,75,000
2.	Other Non-Executive Directors: 1. Mr. P. G. Suresh Kumar 2. Mr. R. G. Ramachandran 3. Mr. Mathew George			
	No Fee for attending board/committee meetings			
	No Commission			
	Total (2)			
	Total (B)=(1+2)	₹ 1,15,000	₹ 1,60,000	₹ 2,75,000
	Total Managerial Remuneration	NA		
	Overall Ceiling as per the Act	Sitting fees not more than ₹ 1 lakh per meeting of Board or Committee.		

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTB

No remuneration was paid to Key Managerial Personnel other than Manager. Ms. Dhanya Thiagarajan, CFO and Mr. Ganesh Ramachandran, Company Secretary was employed by the Holding Company.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

R. G. RAMACHANDRAN

Director
DIN: 02671982

P. G. SURESH KUMAR

Director
DIN: 07124883

Place : Chennai
Date : April 27, 2017

INDEPENDENT AUDITOR'S REPORT

To the members of L&T Western India Tollbridge Limited

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of L&T Western India Tollbridge Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing 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 Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, the financial position of the Company as at 31 March 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A" to this Report, a statement on the matters specified in para 3 and 4 of the said Order.
- 2) As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.
 - (e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- (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, amended vide the Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. Refer Note F and H 7(a) and (b) to the Ind AS financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016.

For **SHARP & TANNAN**
Chartered Accountants
Firm's Registration No. 003792S

Place: Chennai
Date : April 27, 2017

P. Rajesh Kumar
Partner
Membership No. 225366

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

With reference to Annexure A referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's report to the members of L&T Western India Tollbridge Limited on the Ind AS financial statements for the year ended 31 March 2017 we report that:

- The Company does not have any fixed assets. Accordingly, reporting on clause (i) (a), (b), and (c) of the Order does not arise.
- The Company does not have any inventory in its books of account. Accordingly reporting on clause (ii) (a), and (b) of the Order relating to inventories does not arise.
- According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly reporting on clause (iii) (a), (b) and (c) of the Order does not arise.
- According to the information and explanations given to us, the Company has not advanced any loan, given any guarantee or provided any security to parties covered under Section 185 of the Companies Act, 2013. Accordingly, reporting under clause (iv) of the Order does not arise. Section 186 of the Companies Act, 2013 is not applicable to the Company.
- According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, reporting on clause (v) of the Order does not arise.
- According to the information and explanations given to us, the Central Government has not specified maintenance of cost records under Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (as amended) for the operations of the Company for the current financial year. Accordingly, reporting on clause (vi) of the Order does not arise.
- (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is regular in depositing undisputed statutory dues including income tax and other material statutory dues as applicable with appropriate authorities. According to the information and explanations given to us there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues outstanding as at 31 March 2017 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax as at 31 March 2017 which has not been deposited on account of dispute pending are as follows:

Name of the statute	Nature of disputed dues	Period to which the dispute relates (Financial year)	Forums where disputes are pending	Amount involved (₹)	Amount not deposited (₹)
Income tax Act, 1961	Depreciation	2001-02	Madras High Court	4,612,613	4,612,613
	Disallowance u/s 14A of the Act and mismatch of TDS credits	2007-08	Assessing Officer	42,185	42,185
	Depreciation and disallowance u/s 14A of the Act	2008-09	Commissioner of Income Tax (Appeals)	401,890	401,890
	Depreciation and disallowance u/s 14A of the Act	2009-10	Assessing Officer	1,194,030	1,194,030

According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, service tax, duty of customs, duty of excise, value added tax as at 31 March 2017 which have not been deposited on account of a dispute.

- (viii) The Company did not have any loans or borrowing from a financial institution or bank or government or dues to debenture holders during the year. Accordingly, reporting on any default in repayment of loans / borrowing / dues does not arise.
- (ix) The Company has neither taken any term loans during the year nor has raised any money by way of initial public offer or further public offer (including debt instruments) and hence reporting on clause (ix) of the Order does not arise.
- (x) To the best of our knowledge and during the course of our examination of the books and records of the Company and according to the information and explanations given to us, no instances of fraud by the Company, and no material instances of frauds on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the Company has not paid or provided for, managerial remuneration during the year. Accordingly reporting on clause (xi) of the Order does not arise.
- (xii) The Company is not a Nidhi Company. Accordingly reporting on clause (xii) of the Order does not arise.
- (xiii) According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with the provisions of Sections 177 and 188 of the Companies Act, 2013, to the extent applicable and the details disclosed in the Financial Statements, as required by the applicable Accounting Standards.
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly reporting on clause (xiv) of the Order does not arise.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly reporting on clause (xv) of the Order does not arise.
- (xvi) The Company is not engaged in the business of non-banking financial institution and is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly reporting on clause (xvi) of the Order does not arise

For **SHARP & TANNAN**
Chartered Accountants
Firm's Registration No. 003792S

Place: Chennai
Date : April 27, 2017

P. Rajesh Kumar
Partner
Membership No. 225366

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) of our Report of even date]

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

We have audited the internal financial controls over financial reporting of L&T Western India Tollbridge Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. Our audit is conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **SHARP & TANNAN**
Chartered Accountants
Firm's Registration No. 003792S

Place: Chennai
Date : April 27, 2017

P. Rajesh Kumar
Partner
Membership No. 225366

BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note	As at 31.03.2017 ₹	As at 31.03.2016 ₹	As at 31.03.2015 ₹
ASSETS:				
(1) Non-current assets				
a) Other non-current assets	1	5,038,251	3,033,856	2,621,307
	A	5,038,251	3,033,856	2,621,307
(2) Current assets				
a) Financial Assets				
i) Investments	3	–	5,006,599	211,576,220
ii) Cash and bank balances	4	1,038,279,528	998,806	100,565,670
iii) Loans	2	–	320,228,071	–
b) Current Tax Assets (net)	1	–	–	708,476
c) Other current assets	1	1,708,197	–	–
	B	1,039,987,725	326,233,476	312,850,366
TOTAL	A+B	1,045,025,976	329,267,332	315,471,673
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share capital	5	139,500,070	139,500,070	139,500,070
b) Other Equity	6	197,078,412	188,354,185	173,109,117
	C	336,578,482	327,854,255	312,609,187
LIABILITIES				
(1) Non-current liabilities				
c) Deferred tax liabilities (net)		–	2,109	1,983,218
	D	–	2,109	1,983,218
(2) Current liabilities				
a) Financial liabilities				
i) Other financial liabilities	7	707,984,109	316,050	357,172
b) Other current liabilities	8	463,385	471,125	522,096
c) Current tax liabilities (net)	9	–	623,793	–
	E	708,447,494	1,410,968	879,268
TOTAL EQUITY AND LIABILITIES	C+D+E	1,045,025,976	329,267,332	315,471,673
Contingent liabilities and assets	F			
Commitments	G			
OTHER NOTES FORMING PART OF ACCOUNTS	H			
SIGNIFICANT ACCOUNTING POLICIES	I			

As per our report attached of even date

For and on behalf of the Board

SHARP & TANNAN

Chartered Accountants
(Firm's Registration No. 003792S)
By the hand of

P. RAJESH KUMAR
Partner
Membership No. 225366

DHANYA T.
Chief Financial Officer

GANESH RAMACHANDRAN
Company Secretary
M. No. A49108

MATHEW GEORGE
Director
DIN: 07402208

R. G. RAMACHANDRAN
Director
DIN : 02671982

Place : Chennai
Date : April 27, 2017

Place : Chennai
Date : April 27, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

		2016-17		2015-16	
	NOTE	₹	₹	₹	₹
REVENUE					
Other income	10		22,531,767		24,454,743
TOTAL INCOME			22,531,767		24,454,743
EXPENSES					
Finance costs	11		1,743,963		57,831
Administration and other expenses	12		8,334,317		5,699,801
TOTAL EXPENSES			10,078,280		5,757,632
Profit/(loss) before tax			12,453,487		18,697,111
Tax Expense:					
Current tax		3,731,369		5,433,152	
Deferred tax		(2,109)		(1,981,109)	
			3,729,260		3,452,043
Profit/(loss) after tax for the year			8,724,227		15,245,068
Other comprehensive income			—		—
i) Items that will not be reclassified to profit or loss (net of tax)			—		—
ii) Items that will be reclassified to profit or loss (net of tax)			—		—
Total comprehensive income for the year			8,724,227		15,245,068
Earnings per equity share (Basic and Diluted)	24		0.63		1.09
Face value per equity share			10.00		10.00

As per our report attached of even date

For and on behalf of the Board

SHARP & TANNAN

Chartered Accountants

(Firm's Registration No. 003792S)

By the hand of

P. RAJESH KUMAR

Partner

Membership No. 225366

DHANYA T.

Chief Financial Officer

GANESH RAMACHANDRAN

Company Secretary

M. No. A49108

MATHEW GEORGE

Director

DIN: 07402208

R. G. RAMACHANDRAN

Director

DIN : 02671982

Place : Chennai

Date : April 27, 2017

Place : Chennai

Date : April 27, 2017

CASH FLOW STATEMENT AS ON MARCH 31, 2017

	2016-17 ₹	2015-16 ₹
A Net profit/(loss) before tax	12,453,487	18,697,111
Adjustments for		
Bank guarantee charges	1,690,762	—
Interest expense	53,201	57,831
Interest income	(21,700,574)	(15,712,598)
Provision written back	(6,540)	
(Profit)/loss on sale of current investments(net)	(824,653)	(8,742,145)
Operating profit before working capital changes	(8,334,317)	(5,699,801)
Adjustments for		
Increase/(Decrease) in trade payables and other liability	3,339,190	(92,093)
(Increase)/Decrease in other non-current assets	(1,708,197)	—
Net cash generated from/(used in) operating activities	(6,703,324)	(5,791,894)
Direct taxes paid (net of refunds)	—	—
Net Cash(used in)/generated from Operating Activities	(6,703,324)	(5,791,894)
B Cash flow from investing activities		
Sale of current investments	5,831,252	215,311,766
Intercompany deposits (placed)/refunded (net)	320,000,000	(320,000,000)
Direct taxes paid on income from investing activity	(6,353,015)	(4,571,264)
Interest received	21,928,645	15,484,527
Net cash (used in)/generated from investing activities	341,406,882	(93,774,971)
C Cash flow from financing activities		
Interim payment against arbitration	704,321,127	—
Bank guarantee charges and interest paid	(1,743,963)	—
Net cash (used in)/generated from financing activities	702,577,164	—
Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,037,280,722	(99,566,865)
Cash and cash equivalents as at the beginning of the year	998,806	100,565,671
Cash and cash equivalents as at the end of the year	1,038,279,528	998,806

Notes:

- Cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Cash Flow statements.
- Cash and cash equivalents represent cash and bank balances.
- Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report attached of even date

For and on behalf of the Board

SHARP & TANNAN

Chartered Accountants
(Firm's Registration No. 003792S)
By the hand of

P. RAJESH KUMAR
Partner
Membership No. 225366

DHANYA T.
Chief Financial Officer

GANESH RAMACHANDRAN
Company Secretary
M. No. A49108

MATHEW GEORGE
Director
DIN: 07402208

R. G. RAMACHANDRAN
Director
DIN : 02671982

Place : Chennai
Date : April 27, 2017

Place : Chennai
Date : April 27, 2017

NOTES FORMING PART OF ACCOUNTS

Particulars	As at 31.03.2017			As at 31.03.2016			As at 01.04.2015		
	Current ₹	Non- current ₹	Total ₹	Current ₹	Non- current ₹	Total ₹	Current ₹	Non- current ₹	Total ₹
1) OTHER NON-CURRENT AND CURRENT ASSETS									
Advances other than capital advances									
Other advances	18,376	–	18,376	–	–	–	–	–	–
Advance recoverable other than in cash									
Prepaid expenses	1,689,821	–	1,689,821	–	–	–	–	–	–
	1,708,197	–	1,708,197	–	–	–	–	–	–
Income tax									
Income tax net of provisions	–	5,038,251	5,038,251	–	3,033,856	3,033,856	708,476	2,621,307	3,329,783
	–	5,038,251	5,038,251	–	3,033,856	3,033,856	708,476	2,621,307	3,329,783
2) LOANS									
b) Loans to related parties (Holding Company)									
Unsecured, considered good									
Inter-corporate deposit	–	–	–	320,228,071	–	320,228,071	–	–	–
	–	–	–	320,228,071	–	320,228,071	–	–	–
Break up of financial assets carried at amortized cost									
Loans	–	–	–	320,228,071	–	320,228,071	–	–	–
Cash and cash equivalents (Note no 4)	1,038,279,528	–1,038,279,528		998,806	–	998,806	100,565,670	–	100,565,670
Total financial assets carried at amortized cost	1,038,279,528	–1,038,279,528		321,226,877	–	321,226,877	100,565,670	–	100,565,670

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Current ₹		Current ₹		Current ₹	
3) INVESTMENTS						
Investments at fair value through Profit and loss						
Investments in mutual funds (quoted)	–		5,006,599		211,576,220	
	–		5,006,599		211,576,220	
4) CASH AND BANK BALANCES						
a) Balances with banks	11,255,506		998,806		547,861	
b) Fixed deposits with banks including interest accrued thereon	1,027,024,022		–		100,017,809	
	1,038,279,528		998,806		100,565,670	

Balances with banks earn interest at floating rate based on daily bank deposit rates.

Short term deposits are made for varying periods, depending on the immediate cash requirement and earn interest at the respective short term deposit rates.

5) EQUITY SHARE CAPITAL

Balance at the beginning of the reporting period		Changes in equity share capital during the year		Balance at the end of the reporting period	
No of shares	₹	No of shares	₹	No of shares	₹
13,950,007	139,500,070	–	–	13,950,007	139,500,070

NOTES FORMING PART OF ACCOUNTS (Contd.)**6) OTHER EQUITY AS ON 31.03.2017**

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus						Total
			Capital redemption reserve	Securities premium reserve	General Reserve	Revaluation Reserve	Debenture Redemption Reserve	Retained earnings	
Balance at the beginning of the year	–	–	10,500,000	–	425,000	–	–	177,429,185	188,354,185
Total comprehensive income for the year								8,724,227	8,724,227
Balance at the end of the reporting period	–	–	10,500,000	–	425,000	–	–	186,153,412	197,078,412
Other Equity as on 31.03.2016									
Balance at the beginning of the reporting period	–		10,500,000	–	425,000		–	162,184,117	173,109,117
Total comprehensive income for the year		–						15,245,068	15,245,068
Balance at the end of the reporting period	–	–	10,500,000	–	425,000	–	–	177,429,185	188,354,185

Share Capital**(i) Authorised, issued, subscribed and paid up**

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	₹	No. of shares	₹	No. of shares	₹
Authorised:						
Equity shares of ₹ 10 each	21,000,000	210,000,000	21,000,000	210,000,000	21,000,000	210,000,000
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each	13,950,007	139,500,070	13,950,007	139,500,070	13,950,007	139,500,070

(ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	₹	No. of shares	₹	No. of shares	₹
At the beginning of the year	13,950,007	139,500,070	13,950,007	139,500,070	13,950,007	139,500,070
Issued during the year as fully paid		–		–		–
Others	–	–		–		–
At the end of the year	13,950,007	139,500,070	13,950,007	139,500,070	13,950,007	139,500,070

(iv) Terms/rights attached to shares**Equity shares**

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

The Company has not issued any securities during the year with the right/option to convert the same into equity shares at a later date.

The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.

The shares issued carry equal rights to dividend declared by the company and no restrictions are attached to any specific shareholder.

NOTES FORMING PART OF ACCOUNTS (Contd.)**(v) Details of Shares held by Holding Company/Ultimate Holding Company/its subsidiaries or associates:**

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	₹	No. of shares	₹	No. of shares	₹
L&T Infrastructure Development Projects Limited (including nominee holding)	13,950,005	139,500,050	13,950,005	139,500,050	13,950,005	139,500,050
	13,950,005	139,500,050	13,950,005	139,500,050	13,950,005	139,500,050

(vi) Details of Shareholders holding more than 5% shares in the company:

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	%	No. of shares	%	No. of shares	%
L&T Infrastructure Development Projects Limited (including nominee holding)	13,950,005	99.99%	13,950,005	99.99%	13,950,005	99.99%

(vi) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

(vii) Calls unpaid : NIL; Forfeited Shares : NIL

Particulars	As at 31.03.2017			As at 31.03.2016			As at 01.04.2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
7 OTHER FINANCIAL LIABILITIES									
a) Other liabilities (Note no H - 7b)	707,984,109	—	707,984,109	316,050	—	316,050	357,172	—	357,172
	707,984,109	—	707,984,109	316,050	—	316,050	357,172	—	357,172
8 OTHER LIABILITIES									
i) Statutory payables	463,384	—	463,384	471,124	—	471,124	522,096	—	522,096
	463,384	—	463,384	471,124	—	471,124	522,096	—	522,096
Break up of financial liabilities carried at amortized cost									
Other financial liabilities (Note no 7)	707,984,109	—	—	—	—	—	—	—	—
	707,984,109	—	—	—	—	—	—	—	—

9 LIABILITIES FOR CURRENT TAX (NET)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	₹	₹	₹
Liabilities for current tax (net)	—	5,195,056	—
Less: Tax Deducted at Source/Advance tax paid	—	4,571,263	—
Income tax net of previous year provisions	—	—	—
	—	623,793	—

F CONTINGENT LIABILITIES AND ASSETS**Contingent liabilities**

Contingent liabilities as at March 31, 2017 in respect of Income-tax disputes ₹ 161,792/- (Previous year ₹ 161,792/-)

Interest contingently payable, in excess of interest earned accounted as liability in the books, is ₹ 45,76,953. Refer note H - 7(b) where the contingent event is entitlement to recover the arbitration pay-out along with interest.

Contingent assets

An arbitral award against loss of revenue due to riots, strikes, closures and compensation in favour of the company (Refer note H - 7 (a))

G COMMITMENTS

Commitments as at March 31, 2017 ₹ Nil (previous year: ₹ Nil).

NOTES FORMING PART OF ACCOUNTS (Contd.)

	2016-17	2015-16
	₹	₹
10 OTHER INCOME		
Interest income from:		
Bank deposits	137,049	106,849
Inter-corporate deposits	21,563,525	15,605,749
	21,700,574	15,712,598
Profit on sale of current investments	824,653	8,742,145
Other income	6,540	—
TOTAL	22,531,767	24,454,743
11 FINANCE COSTS		
Interest others	53,201	57,831
Bank guarantee charges	1,690,762	—
TOTAL	1,743,963	57,831
12 ADMINISTRATION AND OTHER EXPENSES		
Rent, Rates and taxes	30,686	40,096
Professional fees	8,301,332	5,656,502
Travelling and conveyance	343	—
Miscellaneous expenses	1,956	3,203
TOTAL	8,334,317	5,699,801

(a) Professional fees includes Auditors remuneration (including service tax) as follows:

Particulars	2016-17	2015-16
	₹	₹
a) As auditor	196,250	171,750
b) For taxation matters	—	11,450
c) For company law matters	—	34,350
TOTAL	196,250	217,550

H) NOTES FORMING PART OF ACCOUNTS**1) Corporate Information**

The Company was awarded on Build Operate and Transfer (BOT) basis, the construction of the two-lane bridge at Kheda across the River Watrak on National Highway 8, in the State of Gujarat under Concession Agreement dated 1st March, 1999 with Ministry of Surface Transport, Government of India(GOI) and Roads and Buildings Department, Government of Gujarat(GOG). The construction was completed in February 2001 and the Concession was valid till 31st December, 2009. The said project was handed over on closing hours of 31st December, 2009 to the GOG/GOI as per the terms and conditions of Concession Agreement and the defect liability period obligation was completed on 31st December, 2010.

2) Disclosure of segment information pursuant to Ind AS 108 “Operating Segments”

The Company is engaged in the business of construction, operation and maintenance of Toll road projects on a Build Operate Transfer basis in a single business segment. Hence reporting of operating segments does not arise. The Company does not have operations outside India. Hence, disclosure of geographical segment information does not arise.

NOTES FORMING PART OF ACCOUNTS (Contd.)**3) Disclosure of related parties/related party transactions pursuant to Ind AS 24 "Related Party Disclosures"****a) List of related parties**

Ultimate Holding Company :	Larsen & Toubro Limited
Holding Company :	L&T Infrastructure Development Projects Limited
Fellow Subsidiaries :	Vadodara Bharuch Tollway Limited Ahmedabad-Maliya Tollway Limited

b) Disclosure of related party transactions:

Particulars	2016-17	2015-16
	₹	₹
Nature of transaction		
Holding company		
L&T Infrastructure Development Projects Limited		
• Intercompany deposits placed	325,000,000	630,000,000
• Intercompany deposits refunded	325,000,000	310,000,000
• Interest on Intercompany deposit	21,563,527	15,605,749
• Purchase of services	6,624,164	5,057,743
• Refundable deposit for directors' nomination	100,000	300,000
Ultimate holding company		
Larsen & Toubro Limited		
• Purchase of services	23,861	17,175
Fellow Subsidiaries		
Reimbursement of services		
Vadodara Bharuch Tollway Limited	3,909,558	2,771,998
Ahmedabad-Maliya Tollway Limited	487,124	800,000

c) Amount due to and due from related parties(net):

(Amount in ₹)

Particulars	Amounts due (to)/from	
	As at 31.03.2017	As at 31.03.2016
Ultimate Holding Company		
Larsen & Toubro Limited	23,861	—
Holding Company		
L&T Infrastructure Development Projects Limited	(3,423,871)	320,228,071

d) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2016: ₹ Nil, 1 April 2015: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

e) There is no compensation paid to Key Managerial Personnel of the Company and hence no disclosures are made.**f) There are no commitments as at 31 March 2017 with related parties.****4) Disclosure pursuant to Ind AS 17 "Leases"**

The Company has taken residential premises under cancellable operating lease. This lease is renewable on expiry. The lease rentals charged to the Statement of Profit and Loss during the year is ₹ 24,000/- (Previous year ₹ 24,000/-).

NOTES FORMING PART OF ACCOUNTS (Contd.)**5) Disclosure pursuant to Ind AS 12 - "Income taxes"**

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

Particulars	As at 31.03.2017	As at 31.03.2016
	₹	₹
Current income Tax :		
Current income tax charge	3,731,369	5,433,152
Adjustments of current tax of previous year		
Deferred Tax		
Relating to origination and reversal of temporary differences due to fair valuation of current investments	(2,109)	(1,981,109)
Relating to rate change or imposition of new taxes		
Arising due to a write down of a deferred tax asset		
Income tax reported in the statement of profit and loss	3,729,260	3,452,043

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2017 and 31 March 2016:

Particulars	As at 31.03.2017	As at 31.03.2016
	₹	₹
Accounting profit before tax from continuing operations	12,453,487	18,697,111
Tax at India's Statutory income tax rate of 31.96% (Previous year - 33.06%)	3,980,247	6,181,826
Adjustments for reconciliation		
Profit on sale of mutual fund units adjusted against carried forward losses	(248,878)	(2,890,415)
Effect of non-deductible expenses	—	1,903,646
Provision for earlier years	—	238,096
Current tax expense reported in the Statement of Profit and Loss	3,731,369	5,433,152

Items for which no deferred tax asset is recognised in the Balance Sheet

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
a) Tax losses (revenue in nature) (business loss on which no deferred tax asset is created)			
Base amount			
Short term capital loss	51,504,775	52,336,027	67,276,711
Business loss of AY 11-12	1,223,805	1,223,805	1,223,805
Business loss of AY 12-13	1,379,501	1,379,501	1,379,501
Deferred tax asset	17,293,430	17,559,105	22,334,282
Expiry of tax losses			
Short term capital loss	AY 2018-19	AY 2018-19	AY 2018-19
Business loss of AY 11-12	AY 2019-20	AY 2019-20	AY 2019-20
Business loss of AY 12-13	AY 2020-21	AY 2020-21	AY 2020-21

Deferred Tax

Major components of Deferred tax liabilities and assets

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	₹	₹	₹
Balance Sheet			
Deferred tax liability			
a) Fair value of current investments			
Opening balance	166,365	2,147,474	—
Add : Origination/Reversal of timing difference	(2,109)	(1,981,109)	2,147,474
Closing balance	164,256	166,365	2,147,474
Statement of profit and loss			
a) Fair value of current investments	(2,109)	(1,981,109)	—

The income tax rates changed from 30% in AY 16-17 to 29% in AY 17-18

NOTES FORMING PART OF ACCOUNTS (Contd.)**6) Disclosure pursuant to Ind AS 33 “Earnings per share”**

Basic and Diluted Earnings per share (EPS) computed in accordance with Ind AS 33 “Earnings per share”.

Particulars		2016-17	2015-16
		₹	₹
Basic and Diluted			
Profit for the year attributable to owners of the Company for calculating basic/diluted earnings per share (₹)	A	8,724,227	15,245,068
Weighted average number of equity shares outstanding for calculating basic/diluted earnings per share	B	13,950,007	13,950,007
Basic and Diluted EPS (₹)	A/B	0.63	1.09
Face value per equity share (₹)		10.00	10.00

7) Arbitration

- a) During the concession period, the Company had claimed for loss of revenue due to riots, strikes, closures and compensation for execution of variances to project facilities beyond the scope of concession agreement envisaged at the time of tendering. Since the claims could not be settled amicably, they were referred to the Arbitral Tribunal constituted as per the terms of the Concession agreement. The Tribunal unanimously passed the Award in favour of the Company against which the GOI/GOG had appealed to the District Court of Kheda at Nadiad(Gujarat) . The matters were listed for a number of times and finally on 4th April, 2015, the Honourable Court dismissed the appeals on account of non-persuasion by GOI/GOG. The Company has filed execution petition against GOI before Hon'ble High Court, Delhi and the Hon'ble Court heard the parties and has adjourned the matter to 2nd May 2017. Meanwhile the restoration applications filed by GOI and GOG have been transferred to the Commercial Court and will be heard on merits as to whether the Appeal dismissed by the Nadiad Court is to be restored.
 - b) Meanwhile pursuant to the decisions taken by the Cabinet Committee on Economic Affairs (CCEA) for the revival of construction sector, the NITI Aayog had issued OM No 14070/14/2016 PPPAU dated 5th September 2016 titled “Measures to revive the Construction Sector” which requires the work executing agencies to pay an amount equal to 75% of the total pay-out in cases where the Arbitral Awards are passed in favour of the Concessionaire against a bank guarantee without prejudice to the rights and stand of the Agency and subject to the final order of the court in the matter under challenge. In case the legal challenge is settled in favour of the Agency, it would be entitled to recover the said amount along with interest . Accordingly a sum of ₹ 69,76,92,000 has been received from GOI towards 75% of the arbitral award against a bank guarantee provided by the Company.
- 8) There was no cash in hand and hence Specified Bank Note disclosure as per MCA Notification G.S.R 308(E) dated 30 March, 2017 is not applicable to the Company.

9) Disclosure as per Ind AS 1 - “Presentation of Financial Statements”

For the purpose of the company's capital management, capital includes issued equity share capital, all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the shareholder value.

10) First time adoption of Ind AS

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

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS.

The transition adjustment is with regard to the valuation of current investments. Under Indian GAAP, investment in mutual funds were stated at lower of cost and fair value. Any gain/loss on disposal was accounted for in the statement of profit and loss. For transition, mutual fund investments are categorised as Financial instruments at Fair Value Through Profit or Loss (FVTPL). Any unrealised gains/losses are included in the carrying amount of such investments as at the reporting date. Consequently the carrying amount of mutual fund investments is increased by ₹ 62,05,138 with a corresponding increase in the reserves as at 31 March 2015.

RECONCILIATION OF EQUITY AS AT MARCH 31, 2016

Particulars	Note	Indian GAAP* ₹	Adjustments	Ind AS
ASSETS:				
(1) Non-current assets				
a) Other non-current assets	1	3,033,856	–	3,033,856
	A	3,033,856	–	3,033,856
(2) Current assets				
a) Financial Assets				
i) Investments	2	5,000,000	6,599	5,006,599
ii) Cash and bank balances	3	998,806	–	998,806
iii) Loans	5	320,228,071	–	320,228,071
b) Current Tax Assets (net)	1	–	–	–
c) Other current assets	6	–	–	–
	B	326,226,877	6,599	326,233,476
TOTAL	A+B	329,260,733	6,599	329,267,332
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share capital	0	139,500,070	–	139,500,070
b) Other Equity	6)	188,349,695	4,490	188,354,185
	C	327,849,765	4,490	327,854,255
LIABILITIES				
(1) Non-current liabilities				
c) Deferred tax liabilities (net)		–	2,109	2,109
	D	–	2,109	2,109
(2) Current liabilities				
a) Financial liabilities				
i) Borrowings	12	–	–	–
ii) Trade payables	9	–	–	–
iii) Other financial liabilities	7	–	–	–
b) Other current liabilities	8	787,175	–	787,175
c) Provisions	8	–	–	–
d) Current tax liabilities (net)	9	623,793	–	623,793
	E	1,410,968	–	1,410,968
TOTAL EQUITY AND LIABILITIES	C+D+E	329,260,733	6,599	329,267,332

* The previous GAAP figures have been reclassified to conform to the presentation requirements for the purpose of this note.

RECONCILIATION OF EQUITY AS AT MARCH 31, 2015

Particulars	Note	Indian GAAP* ₹	Adjustments	Ind AS
ASSETS:				
(1) Non-current assets				
a) Other non-current assets	1	2,621,307	–	2,621,307
	A	2,621,307	–	2,621,307
(2) Current assets				
a) Financial Assets				
i) Investments	2	205,371,082	6,205,138	211,576,220
ii) Cash and bank balances	3	100,565,670	–	100,565,670
iii) Loans	5	–	–	–
b) Current Tax Assets (net)	1	708,476	–	708,476
c) Other current assets	6	–	–	–
	B	306,645,228	6,205,138	312,850,366
TOTAL	A + B	309,266,535	6,205,138	315,471,673
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share capital	0	139,500,070	–	139,500,070
b) Other Equity	6)	168,887,197	4,221,920	173,109,117
	C	308,387,267	4,221,920	312,609,187
LIABILITIES				
(1) Non-current liabilities				
c) Deferred tax liabilities (net)		–	1,983,218	1,983,218
	D	–	1,983,218	1,983,218
(2) Current liabilities				
a) Financial liabilities				
i) Borrowings	12	–	–	–
ii) Trade payables	9	–	–	–
iii) Other financial liabilities	7	–	–	–
b) Other current liabilities	8	879,268	–	879,268
c) Provisions	8	–	–	–
d) Current tax liabilities (net)	9	–	–	–
	E	879,268	–	879,268
TOTAL EQUITY AND LIABILITIES	C + D + E	309,266,535	6,205,138	315,471,673

* The previous GAAP figures have been reclassified to conform to the presentation requirements for the purpose of this note.

RECONCILIATION OF PROFIT AND LOSS AS AT MARCH 31, 2016

Particulars	Note	Indian GAAP*	Adjustments	Ind AS
		₹	₹	₹
REVENUE				
Other income	10	30,653,282	(6,198,539)	24,454,743
TOTAL INCOME		30,653,282	(6,198,539)	24,454,743
EXPENSES				
Finance costs	11	57,831	–	57,831
Administration and other expenses	12	5,699,801	–	5,699,801
TOTAL EXPENSES		5,757,632	–	5,757,632
Profit/(loss) before tax		24,895,650	(6,198,539)	18,697,111
Tax Expense:				
Current tax		5,433,152	–	5,433,152
Deferred tax		–	(1,981,109)	(1,981,109)
		5,433,152	(1,981,109)	3,452,043
Profit/(loss) after tax for the year		19,462,498	(4,217,430)	15,245,068
Other comprehensive income				
i) Items that will not be reclassified to profit or loss (net of tax)		–	–	–
ii) Items that will be reclassified to profit or loss (net of tax)		–	–	–
Total comprehensive income for the year		19,462,498	(4,217,430)	15,245,068

* The previous GAAP figures have been reclassified to conform to the presentation requirements for the purpose of this note.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

I. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1. Basis of preparation

(a) Compliance with IndAS

The Company's financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements upto to the year ended 31 March 2016 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 as amended and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under IndAS. Refer Note 10 for an explanation on how the transition from previous GAAP to IndAS has affected the Company's financial position.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value

(c) Use of estimates and judgements

The preparation of these financial statements in conformity with IndAS requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialize. Estimates include the useful lives of property plant and equipment, allowance for doubtful debts/ advances, fair value measurement etc.

(d) Measurement of fair values

A number of the accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date
- Level 2 inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees rounded off to two decimal places in line with the requirements of Schedule III. Per share data are presented in Indian Rupees to two decimal places.

3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of duties and taxes and net of discounts, rebates and other similar allowances.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits would flow to the entity and specific criteria have been met for each of the activities described below. The Company bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of the arrangement.

- a) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate.
- b) Fair value gains on current investments carried at fair value are included in Other income.
- c) Dividend income is recognised when the right to receive the same is established by the reporting date.
- d) Other items of income are recognised as and when the right to receive arises.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

4 Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term highly liquid investments being not free from more than insignificant risk of change are not included as part of cash and cash equivalents. Bank overdrafts which are part of the cash management process is included as part of cash and cash equivalents.

5 Cash flow statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit/(loss) is adjusted for the effects of:

- (a) transactions of a non-cash nature;
- (b) any deferrals or accruals of past or future operating cash receipts or payments and,
- (c) all other items of income or expense associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.”

6 Investments

Trade investments comprise investments in entities in which the Group has strategic business interest.

Investments, which are readily realizable and are intended to be held for not more than one year, are classified as current investments. All other investments are classified as long term investments.

7 Borrowing costs

Borrowing costs include interest calculated using the effective interest method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for acquisition, construction or production of qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalization of such asset are added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

8 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are as per Indian Accounting Standard 108 “Operating Segments” (IND AS 108). Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. The identification of operating segments and reporting of amounts is consistent with performance assessment and resource allocation by the management.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors.

9 Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

Finance leases:

- (a) Property, plant and equipment acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.
- (b) Property, plant and equipment given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

Operating leases:

- (a) Property, plant and equipment acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.
- (b) Property, plant and equipment leased out under operating leases are continued to be capitalised by the Company. Rental income is recognised on a straight-line basis over the term of the relevant lease.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**10 Earnings per share**

Basic earnings per share is computed by dividing the profit/(loss) for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

11 Income taxes

The income tax expense or credit for the year is the tax payable on current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates, positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset when it is highly probable that future economic benefit associated with it will flow to the entity.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However deferred income tax is not accounted if it arises from the initial recognition of an asset or liability that at the time of the transaction affects neither the accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset/liability is realised or settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and deferred tax liabilities are offset, when the entity has a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same authority.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity wherein the related tax is also recognised in other comprehensive income or directly in equity.

12 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

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

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

Contingent liabilities are disclosed in notes in case of a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation or a present obligation arising from past events, when no reliable estimate is possible. Contingent assets are disclosed in the financial statements where an inflow of economic benefits are probable.

13 Financial Instruments

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

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

a) Financial Assets

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

Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost (unless the same are designated as fair value through profit or loss (FVTPL)):

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

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (unless the same are designated as fair value through profit or loss)

- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments at FVTPL is a residual category for debt instruments and all changes are recognised in profit or loss.

Investments in equity instruments are classified as FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in OCI for equity instruments which are not held for trading.

Interest income, dividend income and exchange difference (on debt instrument) on FVTOCI debt instruments is recognised in profit or loss and other changes in fair value are recognised in OCI and accumulated in other equity. On disposal of debt instruments FVTOCI the cumulative gain or loss previously accumulated in other equity is reclassified to profit & loss. However in case of equity instruments at FVTOCI cumulative gain or loss is not reclassified to profit & loss on disposal of investments.

A financial asset is primarily derecognised when:

- i. the rights to receive cash flows from the asset have expired, or
- ii. 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 with 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.

Impairment of financial assets: The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables and other contractual rights to receive cash or other financial asset and financial guarantees not designated as at FVTPL. For the purpose of measuring expected credit loss allowance for businesses other than financial services for trade receivables, the Company has used a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information as permitted under Ind AS 109.

b) Financial Liabilities

Financial liabilities are classified at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Loans and borrowings are subsequently measured at amortised costs using Effective Interest Rate method.

Financial liabilities at fair value through profit or loss (FVTPL) are subsequently measured at fair value.

Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

14 Operating Cycle

Based on the nature of products/activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

15 Claims

Claims against the Company not acknowledged as debts are disclosed under contingent liabilities. Claims made by the company are recognised as and when the same is approved by the respective authorities with whom the claim is lodged.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**16 Commitments**

Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for
- (ii) Uncalled liability on shares and other investments partly paid
- (iii) Funding related commitment to subsidiary, associate and joint venture companies and
- (iv) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

17 Note A: First time adoption of Ind AS

The Company has prepared opening balance sheet as per Ind AS as of 01 April 2015 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below:

1. The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 01 April 2015 (transition date).
2. The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.
3. The estimates as at 01 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with the Indian GAAP.

As per our report attached of even date

For and on behalf of the Board

SHARP & TANNAN

Chartered Accountants

(Firm's Registration No. 003792S)

By the hand of

P. RAJESH KUMAR

Partner

Membership No. 225366

DHANYA T.

Chief Financial Officer

GANESH RAMACHANDRAN

Company Secretary

M. No. A49108

MATHEW GEORGE

Director

DIN: 07402208

R. G. RAMACHANDRAN

Director

DIN : 02671982

Place : Chennai

Date : April 27, 2017

Place : Chennai

Date : April 27, 2017