

BOARD'S REPORT

Dear Members,

The Directors have pleasure in presenting their report and Audited Accounts for the year ended 31st March, 2017.

FINANCIAL RESULTS / FINANCIAL HIGHLIGHTS (INR AS):

The Company's financial performance, for the year ended March 31, 2017 is summarised below:

Particulars	2016-17	2015-16
	₹ Crore	₹ Crore
Profit / (Loss) before depreciation, exceptional and extra ordinary items & tax	(90.89)	(86.72)
Less: Depreciation, amortization and obsolescence	16.16	14.53
Profit / (Loss) before tax	(107.05)	(101.25)
Less: Provision for tax	-	-
Profit / (Loss) for the period carried to the balance sheet	(107.05)	(101.25)
Add: Balance brought forward from previous year	(109.22)	(7.96)
Balance carried to Balance Sheet	(216.27)	(109.22)

STATE OF COMPANY AFFAIRS

The gross revenue and other income for the financial year under review were ₹ 112.02 crore as against ₹ 111.11 crore of the previous financial year registering an increasing of 0.82%. The loss for the year was ₹ 107.05 crore as against the loss of the previous year of ₹ 101.25 crore.

The Government of India, on November 8, 2016 declared the cancellation of legal tender of ₹ 500 and ₹ 1000 currency notes. The order was followed with a set of restrictions on exchange and withdrawal with Banks. To minimize the shortage of cash difficulties, the Ministry of Road Transport & Highways (MoRTH) had directed and suspended tolling operations in National Highways from November 9, 2016 till the Midnight of December 2, 2016.

Though the Concessionaires were hopeful of a direct Loss of Revenue compensation, MoRTH and the National Highway Authority of India (NHAI) had issued a standard operating procedure for release of compensation in phases and in line with the Concessionaire Agreement i.e reimbursement of O&M Expenses and Interest Cost. The tolling resumed on December 3, 2016 with an increased patronage for RFID tags, Credit / Debit Card transactions and other non-cash payment wallets. The Company had tied up with the respective agencies and mobilized Point of Sales (POS) in a short period of time along with ramping up the RFID handhelds and RFID enabled lanes at all the plazas. The challenge was handled exceptionally well by the Company and currently there are 22.45% of non-cash transactions as compared to the period prior to Demonetization. The Company has realized ₹ 4.59 crore towards 90% of interest cost for the period of 24 days where the toll had been suspended. The Company has initiated steps to realize the balance O&M & Interest Costs with NHAI.

CAPITAL & FINANCE

During the year under review, the Company has allotted 6,79,75,780 numbers of 0.01% Optionally Convertible Cumulative Preference Shares of ₹ 10/- each.

The Company at its Extraordinary General Meeting held on March 27, 2017 has altered the terms of issue of 11,34,65,780 numbers 0.01% Optionally Convertible Cumulative Preference Shares of ₹ 10/- each to 0.01% Compulsorily Convertible Preference Shares of ₹ 10/- each.

CAPITAL EXPENDITURE

As at March 31, 2017 the gross fixed and intangible assets including leased Assets, stood at ₹ 1,702 crore and the net fixed and intangible assets, including leased assets, at ₹ 1,670.18 crore. Capital Expenditure during the year amounted to ₹ 1.00 crore.

DEPOSITS

Your 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

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

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, full particulars of the loans given, investments made or guarantees given or security provided is given in Note No.H5 of notes to accounts of this Annual Report.

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.

The disclosure as per Form AOC-2 is given in Annexure I to this Report.

AMOUNT TO BE CARRIED TO RESERVE

Appropriation of profits to any specific reserves is not applicable to your Company.

DIVIDEND

The Directors do not recommend payment of dividend for the financial year, in view of the losses incurred during the year.

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 or commitments adversely affecting the financial position of the Company have occurred 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

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

In view of the nature of the 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, technology absorption does not apply.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year the Company had incurred expenditure in foreign currency for an amount of ₹ 10,42,140/- towards payment against annual maintenance services for toll equipment.

RISK MANAGEMENT POLICY

The Company follows the risk management policy of its Holding Company and has in place a mechanism to inform the Board Members about risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework.

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

Your Company has designed and implemented a process-driven framework for Internal Controls on Financial Reporting System within the meaning of the explanation to Section 134(5)(e) of the Act. For the year ended March 31, 2017, the Board is of the opinion that the Company has adequate internal controls commensurate with the nature and size of its business operations and these are operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations. The Auditors of the Company have reviewed the adequacy of the Internal Financial Control over Financial Reporting of the Company and the operating effectiveness of such control are reported in "Annexure A" of the Auditors' report for the financial year 2016-17.

CORPORATE SOCIAL RESPONSIBILITY

Since the Company does not fulfil the criteria specified under Section 135 of the Act, the provisions of Corporate Social Responsibility are not applicable.

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

During the year under review the Board was reconstituted as Mr. Karthikeyan T.V. had resigned as Director with effect from July 15, 2016 and Mr. Arun Kumar Jha had resigned as Director with effect from January 16, 2017.

Mr. T.S.Venkatesan, Director who had retired by rotation at the Annual General Meeting held on September 29, 2016 being eligible was re-appointed as Director at the said meeting.

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

S.No.	Name of the Director	Designation	DIN
1	Mr. T.S.Venkatesan	Director	01443165
2	Dr. Esther Malini	Woman Director	07124748
3	Mr. K.P.Raghavan	Independent Director	00250991
4	Dr. K.N.Satyanarayana	Independent Director	02460153

Mr. Chandrashekhar N. Doiphode had resigned as Manager of the Company with effect from February 2, 2017.

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Mr. Subramanian Elangovan was appointed as Manager of the Company with effect from March 16, 2017.

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

S.No.	Name of the KMP	Designation	Date of Appointment
1	Mr. Subramanian Elangovan	Manager	March 16, 2017
2	Ms. Nandhini M.	Chief Financial Officer (CFO)	July 31, 2015
3	Mr. Sridhar Ramakrishnan	Company Secretary (CS)	October 28, 2015

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. Additional Meetings of the Board of Directors are held when necessary. During the year under review 7(Seven) meetings were held on the following dates:

Date	Strength	No. of Directors Present
April 27, 2016	5	4
July 15, 2016	5	3
September 16, 2016	5	3
October 19, 2016	5	4
December 19, 2016	5	3
January 16, 2017	5	4
March 16, 2017	4	4

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 and Nomination and Remuneration 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 / Audit Committee. 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. Minutes of the meetings are circulated to the members of the Board and Committees. 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. K.P.Raghavan, Dr. K.N.Satyanarayana and Mr. T.S.Venkatesan

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

Details of the meetings held during the year under review, are given below:

Date	Strength	No. of Members Present
April 27, 2016	3	3
July 15, 2016	3	2
September 16, 2016	3	2
October 19, 2016	3	2
January 16, 2017	3	3
March 16, 2017	3	3

The Company has established a vigil mechanism framework for directors and employees to report genuine concerns. This mechanism is in line with the requirements of the Act and the Whistle Blower Policy of the Company meets the requirement of the Vigil Mechanism framework under the Act.

COMPANY POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION:

The Company has constituted the Nomination and Remuneration Committee in accordance with the requirements of the Act comprising of Mr. K.P.Raghavan, Dr. K.N.Satyanarayana and Mr. T.S.Venkatesan

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

During the year under review, one meeting was held and the details are given hereunder:

Date	Strength	No. of Members Present
March 16, 2017	3	3

The Committee has formulated a policy on director's appointment and remuneration including recommendation of appointment of the key managerial personnel and other employees 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 is not disqualified from continuing as an Independent Director.

DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms that:

- In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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;
- 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;
- The Directors have prepared the Annual Accounts on a going concern basis; and
- 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.

The inputs given by all the Directors were discussed in the meeting of the Independent Directors held on December 8, 2016 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

As the shares of the Company are not listed with any stock exchange hence, no information is being provided under Section 197 of the Act read with sub rule 2 of rule 5 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 May 11, 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

The Company in the 5th Annual General Meeting held on 22nd September, 2015 for the Financial Year 2015-16 had appointed M/s. Gianender & Associates, Chartered Accountants, (Firm Reg no: 004661N), New Delhi as Statutory Auditors of the Company to hold office from the conclusion of that Annual General Meeting until the conclusion of the 10th Annual General Meeting of the Company to be held during the year 2020.

The Board recommends the ratification of the appointment of M/s. Gianender & Associates, as Statutory Auditors of the Company from the conclusion of the ensuing AGM until the conclusion of the next AGM.

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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.

COST AUDITORS

Pursuant to the provisions of Section 148 of the Act and Rule 3 and 4 of the Companies (Cost Records and Audit) Amendment Rules, 2015 as amended from time to time, the Board of Directors had appointed Mr. K. Suryanarayanan, Cost Accountant, as Cost Auditor of the Company for audit of cost accounting records for the financial year 2016-17 at a remuneration of ₹.75,000/- per annum. The remuneration payable to the Cost Auditor was ratified at the Annual General Meeting held on September 29, 2016. The Cost Auditors report for the financial year 2015-16 was filed with Ministry of Corporate Affairs on August 12, 2016. The report of the Cost Auditors for the financial year 2016- 17 will be filed with Ministry of Corporate Affairs once the same is finalized.

SECRETARIAL AUDITOR

Mr. R.Thamizhvanan (C.O.P No: 3721), Company Secretary in practice, was appointed to conduct the Secretarial Audit for the financial year 2016-17 as required under Section 204 of the Act and rules made thereunder.

The Secretarial Audit Report issued by Mr. R.Thamizhvanan dated April 21, 2017, is attached as Annexure III to this Report.

The Secretarial Auditor's report to the shareholders is unqualified.

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 as Annexure II to this Report.

ACKNOWLEDGEMENT

The 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

Place: Chennai
Date: April 28, 2017

T. S. VENKATESAN
Director
DIN: 01443165

ESTHER MALINI
Director
DIN: 07124748

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 arms-length transactions under the 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

Name of the related party	Nature of relationship	Nature of contract/ arrangement/ transactions	Duration of contract/ arrangement/ transactions	Salient terms of contract/ arrangement/ transactions	Amount paid as advance
Larsen & Toubro Limited	Ultimate Holding company	Construction Work ("EPC")	Up to Sept.16	Construction of Road	-
		Payroll & TEMS Processing , A&M Charges	One year	Processing and Supporting charges	-
L&T Infrastructure Development Projects Limited	Holding Company	Receipt of Operation and Maintenance ("O&M") services	Throughout the Project period	Providing advisory services for O&M of the Project Facilities in accordance with the O&M requirement as stipulated in the Concession agreement	-
		Business Support Services ("BSS")	One year	Operational assistance for project execution, infrastructure support services, accounting and processing of transactions, travel management, employee training and development, dispatch management etc	-
L&T Halol Shamlaji Tollway Limited	Fellow subsidiary	Sale Of assets	-	-	-
		Purchase of assets	-	-	-
L&T Transportation Infrastructure Limited	Fellow subsidiary	Sale Of assets	-	-	-
Ahmedabad - Maliya Tollway Limited	Fellow subsidiary	Sale Of assets	-	-	-
L&T Rajkot - Vadinar Tollway Limited	Fellow subsidiary	Purchase of assets	-	-	-
PNG Tollway Limited	Fellow subsidiary	Purchase of assets	-	-	-
Panipat Elevated Corridor Limited	Fellow subsidiary	Purchase of assets	-	-	-

Date(s) of approval by the Board, if any - April 28, 2017

For and on behalf of the Board

Place: Chennai
Date: April 28, 2017

T.S.VENKATESAN
Director
DIN: 01443165

ESTHER MALINI
Director
DIN: 07124748

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	U45203TN2010PLC074501
Registration Date	05/02/2010
Name of the Company	L&T Samakhiali Gandhidham Tollway Limited
Category / Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
Address of the Registered office and contact details	P B NO.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 Ltd. was appointed as Registrar and Transfer Agent at the Board of Directors' meeting held on July 15, 2016 and the securities were transferred from Sharepro Services (P) Ltd with effect from September 23, 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
1	Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways	42101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
1	L&T Infrastructure Development Projects Limited	CIN: 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 as on April 1, 2016				No. of Shares held as on March 31, 2017				% 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.	80539995	5*	80540000	100%	80539995	5*	80540000	100%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	80539995	5*	80540000	100%	80539995	5*	80540000	100%	-
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)	80539995	5*	80540000	100%	80539995	5*	80540000	100%	-

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Category of Shareholders	No. of Shares held as on April 1, 2016				No. of Shares held as on March 31, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
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	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (B) = (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	80539995	5*	80540000	100%	80539995	5*	80540000	100%	-

*Including shares held by nominees of L&T Infrastructure Development Projects Limited.

(ii) Shareholding of Promoters

SI No	Shareholders Name	Shareholding as on April 1, 2016			Shareholding 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)	80526995	99.98%	50.99%	80526995	99.98%	50.99%	-
2	Larsen & Toubro Ltd.	13000	0.02%	0.01%	13000	0.02%	0.01%	-
	Total	80539995	100%	51.00%	80539995	100%	51.00%	-

(iii) Change in Promoters' Shareholding:

During the year there was no change in the Promoters' shareholding.

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

(v) Shareholding of Directors and Key Managerial Personnel:

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

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V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment:

(Amount in ₹)

Particulars of Indebtedness	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
As on April 1, 2016			
i) Principal Amount	892,75,64,115	39,92,06,183	932,67,70,298
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	12,90,82,306	12,90,82,306
Total (i+ii+iii)	892,75,64,115	52,82,88,489	945,58,52,604
Changes during the financial year			
Addition	-	5,73,38,124	57,338,124
Reduction	(27,96,66,522)	-	(27,96,66,522)
Net Change	(27,96,66,522)	5,73,38,124	(22,23,28,398)
As on March 31, 2017			
i) Principal Amount	864,78,97,593	22,05,29,465	886,84,27,058
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	25,04,20,900	25,04,20,900
Total (i+ii+iii)	864,78,97,593	47,09,50,365	911,88,47,958

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(a) Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total (Amount in ₹)
		Manager: Mr. S. Elangovan	
1.	Gross salary	28,00,426	28,00,426
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
(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	-	-
3.	Sweat Equity	-	-
4.	Commission as % of profit	-	-
5.	Others, please specify	-	-
	Total (A)	28,00,426	28,00,426
	Ceiling as per the Act	1,25,91,547	1,25,91,547

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount in ₹
		Dr. K.N. Satyanarayana	Mr. K.P. Raghavan	
1.	Independent Directors			
	Fee for attending Board / Committee Meeting	2,00,000	2,35,000	4,35,000
	Commission	-	-	-
	Others	-	-	-
	Total (1)	2,00,000	2,35,000	4,35,000
2.	Other Non - Executive Directors 1) Mr. T.S.Venkatesan 2) Dr. Esther Malini			
	No fee for attending Board Meeting / Committee Meeting and no Commission was paid	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	2,00,000	2,35,000	4,35,000
	Total Managerial Remuneration	NA		
	Overall Ceiling as per the Act	Sitting fees not more than ₹.1,00,000 per meeting of Board or Committee.		

(c) Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD

No remuneration was paid to Key Managerial Personnel other than Manager. Ms. Nandhini M, CFO and Mr. Sridhar Ramakrishnan, Company Secretary are employed by the Holding Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

Place: Chennai
Date: April 28, 2017

T.S.VENKATESAN
Director
DIN: 01443165

ESTHER MALINI
Director
DIN: 07124748

ANNEXURE III

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 2016-17

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
L&T SAMAKHIALI GANDHIDHAM TOLLWAY LIMITED
P.O. BOX NO. 979, MOUNT POONAMALLEE ROAD
MANAPAKKAM, CHENNAI-600089

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **L&T SAMAKHIALI GANDHIDHAM TOLLWAY LIMITED (here-in-after called the 'Company')** for the financial ending **31st March 2017**. Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report :-

That in my opinion, the company has, during the audit period has complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year under the provisions of

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under - **Not Applicable**;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under - **Not Applicable**;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not Applicable**;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') - **Not Applicable**:-

I have also examined whether adequate systems and processes are in place to monitor and ensure compliance with general laws like labour laws, competition laws, environment laws etc

In respect of financial laws like Tax laws, etc. I have relied on the audit reports made available during our audit for us to have the satisfaction that the Company has complied with the provisions of such laws

I/we have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. - **Applicable**

During the audit period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

I further report that:-

The Board of Directors & the Committees of the Company are duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and there were no dissenting views by any of the Board members during the year.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has complied with all requirements under the new Companies Act 2013 to the extent notified and applicable with respect to all events/actions having a major bearing on the Companies affairs.

Place: Chennai
Date: 21.04.2017

R. THAMIZHVANAN
(COMPANY SECRETARY IN PRACTICE)
CP NO. 3721

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF L&T SAMAKHIALI GANDHIDHAM TOLLWAY LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of **L&T SAMAKHIALI GANDHIDHAM TOLLWAY LIMITED** ("the Company"), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), 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 (herein after referred to as "Ind AS financial statements").

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 relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; 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 there under.

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 is 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 the 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 including the Ind AS, of 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 section 143(11) of the Act, we give in the Annexure, a statement on the matters specified in the paragraph 3 and 4 of the 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 Accounting Standards specified under Section 133 of the Act read with relevant rule issued there under;
 - (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;

L&T SAMAKHIALI GANDHIDHAM TOLLWAY LIMITED

- (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 -A"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has not pending litigation which would impact its financial position;
 - ii. The company did not have any long-term contract including derivative contract for which there were any material foreseeable losses;
 - iii. There were no amounts which were required by the company to be transferred to the Investor Education and Protection Fund, and;
 - iv. The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016. However we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures with respect to currency held other than SBNs are in accordance with books of account maintained by the company and as produced to us by the management.

FOR GIANENDER & ASSOCIATES

Chartered Accountants
(Firm's Registration No. 004661N)

MANJU AGRAWAL

(Partner)

(M. No. 083878)

Place: New Delhi

Date: April 28, 2017

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF L&T SAMAKHIALI GANDHIDHAM TOLLWAY LIMITED FOR THE YEAR ENDED AS ON 31ST MARCH 2017

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-

- i. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) The Fixed Assets have been physically verified by the management at regular intervals and no material discrepancies were noticed on such verification.
- c) The title deeds of immoveable properties are held in the name of the company.
- ii. As the company is engaged in the business of infrastructure development, operations and its maintenance and there is no inventory in hand at any point of time, hence paragraph 3(ii) of the Order is not applicable to the company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.
- v. The Company has not accepted deposits in terms of the provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under. Therefore the paragraph 3(v) of the Order is not applicable to the company.
- vi. The Company is prima-facie maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2017, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable.
- b) According to the information and explanations given to us, there were no statutory dues pending in respect of income tax, sales tax, VAT, custom duty and cess etc. on account of any dispute.
- viii. In our opinion and according to the information and explanation provided to us, the company has not defaulted in repayment of loans or borrowing to the bank and financial institution. The Company has not taken any loans or borrowings from any Government and not issued any debentures during the year or in any previous years.
- ix. Money raised by way of term loans were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer.
- x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.

- xi. The company has not paid any managerial remuneration, hence paragraph 3(xi) of the order is not applicable to the company.
- xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable to the company.
- xiii. In our opinion and according to the information provided to us, the transaction entered with the related parties are in compliance with section 177 and 188 of the Act and are disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The Company has made preferential allotment of shares during the year under review and complied with the requirement of section 42 of the Act.
- xv. According to the information provided to us, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under section 192 of the Companies Act 2013. Therefore, paragraph 3(xv) of the Order is not applicable to the company.
- xvi. According to the information provided to us, the company is not required to be registered under section 451A of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the company.

FOR GIANENDER & ASSOCIATES

Chartered Accountants

(Firm's Registration No. 004661N)

MANJU AGRAWAL

(Partner)

(M. No. 083878)

Place: New Delhi

Date: April 28, 2017

ANNEXURE-A

Annexure referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-

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

We have audited the internal financial controls over financial reporting of L&T Samakhiali Gandhidham Tollway Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my /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 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

L&T SAMAKHIALI GANDHIDHAM TOLLWAY LIMITED

transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the 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 March 31, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR GIANENDER & ASSOCIATES

*Chartered Accountants
(Firm's Registration No. 004661N)*

*Place: New Delhi
Date: April 28, 2017*

MANJU AGRAWAL

*(Partner)
(M. No. 083878)*

BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note	As at 31-03-2017 ₹	As at 31-03-2016 ₹	As at 01-04-2015 ₹
ASSETS				
(1) Non-current assets				
a) Property, Plant and Equipment	1	10,450,758	4,784,537	5,167,083
b) Intangible assets	2	16,691,369,813	15,551,435,575	15,694,746,977
c) Intangible assets under development	3	–	817,507,421	417,801,866
d) Investment property	4	1,354,000	1,354,000	1,354,000
e) Other non-current assets	5	10,925,532	7,716,117	10,760,986
	A	16,714,100,103	16,382,797,650	16,129,830,912
Current assets				
a) Financial Assets				
i) Investments	6	–	–	17,028,863
ii) Cash and bank balances	7	14,519,389	18,165,333	11,689,944
b) Current Tax Assets (net)	5	3,367,748	3,367,748	–
c) Other current assets	5	40,547,210	13,530,258	13,724,683
	B	58,434,347	35,063,339	42,443,490
TOTAL	A+B	16,772,534,450	16,417,860,989	16,172,274,402
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share capital	8	805,400,000	805,400,000	805,400,000
b) Other Equity	9	(756,028,544)	(365,382,053)	192,344,842
	C	49,371,456	440,017,947	997,744,842
LIABILITIES				
(1) Non-current liabilities				
a) Financial liabilities				
i) Borrowings	10	8,366,097,593	9,044,970,294	8,548,008,765
ii) Other financial liabilities	11	7,213,674,364	6,378,504,654	5,292,312,874
b) Provisions	12	195,304,964	96,841,613	1,483,049
c) Other non-current liabilities	13	–	–	–
	D	15,775,076,921	15,520,316,561	13,841,804,688
Current liabilities				
a) Financial liabilities				
i) Borrowings	10	502,329,465	281,800,004	688,812,441
ii) Trade payables	14	17,186,269	5,781,252	3,396,191
iii) Other financial liabilities	11	–	15,889,301	–
b) Other current liabilities	13	427,756,544	153,792,658	640,472,934
c) Provisions	12	813,795	263,266	43,306
	E	948,086,073	457,526,481	1,332,724,872
Total Equity and Liabilities	C+D+E	16,772,534,450	16,417,860,989	16,172,274,402
CONTINGENT LIABILITIES	F			
COMMITMENTS	G			
OTHER NOTES FORMING PART OF ACCOUNTS	H			
SIGNIFICANT ACCOUNTING POLICIES	I			

As per our report attached

For and on behalf of the Board

For **GIANENDER & ASSOCIATES**

Chartered Accountants

Firm's Regn. No. 004661N

MANJU AGRAWAL

Partner

Membership No. 083878

SRIDHAR RAMAKRISHNAN

Company Secretary

M. No. A8840

NANDHINI M.

Chief Financial Officer

T.S.VENKATESAN

Director

DIN: 01443165

ESTHER MALINI

Director

DIN: 07124748

Place : Chennai

Date : April 25, 2017

Place: Chennai

Date: April 25, 2017

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

Particulars	Note No.	2016-17		2015-16	
		₹	₹	₹	₹
REVENUE					
Revenue from Operations	15		1,102,341,300		1,106,791,075
Construction contract revenue			480,191,826		399,705,555
Other income	16		17,822,618		4,273,429
Total Revenue			1,600,355,744		1,510,770,059
EXPENSES					
Construction contract expenses			480,191,826		399,705,555
Operating expenses	17		193,225,636		172,019,909
Employee benefit expenses	18		12,038,537		8,936,607
Finance costs	19		1,786,060,977		1,776,185,380
Depreciation and amortisation	1-3		161,597,525		145,304,042
Administration and other expenses	20		37,735,402		21,081,297
Total Expenses			2,670,849,903		2,523,232,790
Profit/(loss) before tax			(1,070,494,159)		(1,012,462,731)
Tax Expense:					
Current tax			-		-
Deferred tax			-		-
Profit/(loss) after tax for the year			(1,070,494,159)		(1,012,462,731)
Profit for the year			(1,070,494,159)		(1,012,462,731)
Other Comprehensive Income					
Nature					
Income-tax effect					
i) Reclassifiable to profit or loss in subsequent periods					
ii) Not reclassifiable to profit or loss in subsequent periods			89,868		(164,164)
Total Comprehensive Income for the year			(1,070,404,291)		(1,012,626,895)
Earnings per equity share (Basic and Diluted)	24		(13.29)		(12.57)
Face value per equity share			10.00		10.00

As per our report attached

For and on behalf of the Board

For **GIANENDER & ASSOCIATES**

Chartered Accountants

Firm's Regn. No. 004661N

MANJU AGRAWAL

Partner

Membership No. 083878

SRIDHAR RAMAKRISHNAN

Company Secretary

M. No. A8840

NANDHINI M.

Chief Financial Officer

T.S.VENKATESAN

Director

DIN: 01443165

ESTHER MALINI

Director

DIN: 07124748

Place : Chennai

Date : April 25, 2017

Place: Chennai

Date: April 25, 2017

CASH FLOW STATEMENT AS ON MARCH 31, 2017

	2016-17 ₹	2015-16 ₹
A Net profit / (loss) before tax and extraordinary items	(1,070,404,291)	(1,012,626,895)
Adjustment for		
Depreciation and amortisation expense	161,597,525	145,304,042
Interest expense	1,786,060,977	1,776,185,380
Interest income	(8,083,694)	(142,800)
(Profit)/loss on sale of current investments(net)	(2,478,220)	(3,381,669)
(Profit)/loss on sale of fixed assets	(7,074)	13,820
Operating profit before working capital changes	866,685,223	905,351,878
Adjustments for:		
Increase / (Decrease) in long term provisions	98,463,351	95,358,564
Increase / (Decrease) in trade payables	11,405,017	2,385,061
Increase / (Decrease) in other current liabilities	273,963,886	(486,680,276)
Increase / (Decrease) in other non-current financial liabilities	-	51,192,810
Increase / (Decrease) in short term provisions	-	219,960
(Increase) / Decrease in loan term loans and advances	(2,178,128)	3,500
(Increase) / Decrease in other current assets	(27,016,952)	194,425
Net cash generated from/(used in) operating activities	1,221,322,397	568,025,922
Direct taxes paid (net of refunds)	(1,031,287)	(326,379)
Net Cash(used in)/generated from Operating Activities	1,220,291,110	567,699,543
B Cash flow from investing activities		
Purchase of fixed assets	(489,690,611)	(401,315,654)
Sale of fixed assets	561,771	(13,820)
(Purchase)/Sale of current investments	2,478,219	20,410,533
Interest received	83,766	142,800
Net cash (used in)/generated from investing activities	(486,566,855)	(380,776,141)
C Cash flow from financing activities		
Proceeds from issue of capital	679,757,800	454,900,000
Proceeds from long term borrowings	(186,500,000)	764,900,008
Repayment of long term borrowings	(281,800,000)	(281,800,000)
Interest paid	(948,827,999)	(1,118,448,021)
Net cash (used in)/generated from financing activities	(737,370,199)	(180,448,013)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(3,645,944)	6,475,389
Cash and cash equivalents as at the beginning of the year	18,165,333	11,689,944
Cash and cash equivalents as at the end of the year	14,519,389	18,165,333

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

For and on behalf of the Board

For **GIANENDER & ASSOCIATES**

Chartered Accountants

Firm's Regn. No. 004661N

MANJU AGRAWAL

Partner

Membership No. 083878

SRIDHAR RAMAKRISHNAN

Company Secretary

M. No. A8840

NANDHINI M.

Chief Financial Officer

T.S.VENKATESAN

Director

DIN: 01443165

ESTHER MALINI

Director

DIN: 07124748

Place : Chennai

Date : April 25, 2017

Place: Chennai

Date: April 25, 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

NOTE 9 : OTHER EQUITY AS ON 31.03.2017

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus					Retained earnings	Total
			Capital reserve	Securities premium reserve	General Reserve	Revaluation Reserve	Debenture Redemption Reserve		
Balance at the beginning of the reporting period	-	726,867,352	-	-	-	-	-	(1,092,249,405)	(365,382,053)
Changes in accounting policy									-
Restated balance as at the beginning of the reporting period									-
Transfer to retained earnings		-							-
Profit for the year								(1,070,494,159)	(1,070,494,159)
Other comprehensive income								89,868	89,868
Issue of share capital		679,757,800		-					679,757,800
Transfer from / (to) debenture redemption reserve								-	-
Balance at the end of the reporting period	-	1,406,625,152	-	-	-	-	-	(2,162,653,696)	(756,028,544)

OTHER EQUITY AS ON 31.03.2016

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus					Retained earnings	Total
			Capital reserve	Securities premium reserve	General Reserve	Revaluation Reserve	Debenture Redemption Reserve		
Balance at the beginning of the reporting period	-	271,967,352	-	-	-	-	-	(79,622,510)	192,344,842
Changes in accounting policy									-
Restated balance as at the beginning of the reporting period									-
Transfer to retained earnings		454,900,000							454,900,000
Profit for the year		-						(1,012,462,731)	(1,012,462,731)
Other comprehensive income		-						(164,164)	(164,164)
Transfer from / (to) debenture redemption reserve								-	-
Balance at the end of the reporting period	-	726,867,352	-	-	-	-	-	(1,092,249,405)	(365,382,053)

NOTES FORMING PART OF ACCOUNTS**NOTE 1 : PROPERTY, PLANT AND EQUIPMENT**

(Amount in ₹)

Particulars	Cost				Depreciation				Book Value	
	As at April 01, 2016	Additions	Deductions	As at March 31, 2017	As at April 01, 2016	For the year	Deductions	As at March 31, 2017	As at March 31, 2017	As as March 31, 2016
Owned										
Plant and Equipment	749,267	830,070	-	1,579,337	54,736	227,270	-	282,006	1,297,331	694,531
Furniture and fixtures	108,112	1,460,250	-	1,568,362	14,319	143,644	-	157,963	1,410,399	93,793
Vehicles	4,515,609	4,141,053	483,673	8,172,989	1,242,064	2,249,953	-	3,492,017	4,680,972	3,273,545
Office equipment	843,165	59,280	-	902,445	468,704	179,079	-	647,783	254,662	374,461
Air conditioning and Refrigeration	-	3,180,754	-	3,180,754	-	795,189	-	795,189	2,385,565	-
Computers, laptops and printers	468,589	382,075	71,024	779,640	120,382	237,429	-	357,811	421,829	348,207
Total	6,684,742	10,053,482	554,697	16,183,527	1,900,205	3,832,564	-	5,732,769	10,450,758	4,784,537
<i>Previous year</i>	<i>5,167,083</i>	<i>1,833,194</i>	<i>223,100</i>	<i>6,777,177</i>	<i>-</i>	<i>1,992,640</i>	<i>-</i>	<i>1,992,640</i>	<i>4,784,537</i>	<i>5,167,083</i>

Refer Note H(19) for information on property, plant and equipments pledged as security.

There is no restriction on title of property, plant and equipments.

There is no contractual commitment on acquisition of property, plant and equipments.

NOTE 2 : INTANGIBLE ASSETS

(Amount in ₹)

Particulars	Cost				Amortisation				Book Value	
	As at April 01, 2016	Additions	Deductions	As at March 31, 2017	As at April 01, 2016	For the year	Deductions	As at March 31, 2017	As at March 31, 2017	As as March 31, 2016
Toll Equipments	-	115,236,967	-	115,236,967	-	16,462,470	-	16,462,470	98,774,497	-
Toll collection rights	15,706,167,137	1,182,462,282	-	16,888,629,419	154,731,562	141,302,541	-	296,034,103	16,592,595,316	15,551,435,575
Total	15,706,167,137	1,297,699,249	-	17,003,866,386	154,731,562	157,765,011	-	312,496,573	16,691,369,813	15,551,435,575
<i>Previous year</i>	<i>15,706,167,137</i>	<i>-</i>	<i>-</i>	<i>15,706,167,137</i>	<i>11,420,160</i>	<i>143,311,402</i>	<i>-</i>	<i>154,731,562</i>	<i>15,551,435,575</i>	<i>15,694,746,977</i>

In amortisation working for the toll collection rights, it is assumed that collection rights will be extended for the 23.263 days against demonetisation period.

Disclosure of Material Intangible Asset

Toll collection rights of widening of existing two-lane of 56 kilometers Road stretch covering Samakhiali to Gandhidham to make it four lane.

Particulars	Remaining Amortization Period (Years)
As at March 31, 2017	17.45
As at March 31, 2016	18.45
As at April 01, 2015	19.45

There is no restriction on title of Tolling rights.

There is no contractual commitment on acquisition of Tolling rights.

Refer Note H(19) for information on Intangible asset pledged as security.

NOTE 3 : INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount in ₹)

Particulars	Cost				Amortisation				Book Value	
	As at April 01, 2016	Additions	Deductions	As at March 31, 2017	As at April 01, 2016	For the year	Deductions	As at March 31, 2017	As at March 31, 2017	As as March 31, 2016
Construction cost	730,134,840	440,381,213	1,170,516,053	-	-	-	-	-	-	730,134,840
Pre-operative expenses pending allocation	5,750,872	6,195,357	11,946,229	-	-	-	-	-	-	5,750,872
Capital work-in-progress (Plant & Equipment)	81,621,711	33,615,256	115,236,967	-	-	-	-	-	-	81,621,711
Total	817,507,423	480,191,826	1,297,699,249	-	-	-	-	-	-	817,507,423
<i>Previous year</i>	<i>417,801,866</i>	<i>399,705,555</i>	<i>-</i>	<i>817,507,421</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>817,507,421</i>	<i>417,801,866</i>

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**NOTE 1 : PROPERTY, PLANT AND EQUIPMENT**

(Amount in ₹)

Particulars	Cost				Depreciation				Book Value	
	As at April 01, 2015	Additions	Deductions	As at March 31, 2016	As at April 01, 2015	For the year	Deductions	As at March 31, 2016	As at March 31, 2016	As at April 01, 2015
Owned										
Plant and Equipment	139,700	609,567	-	749,267	-	54,736	-	54,736	694,531	139,700
Furniture and fixtures	108,112	-	-	108,112	-	14,319	-	14,319	93,793	108,112
Vehicles	3,890,102	625,507	-	4,515,609	-	1,242,064	-	1,242,064	3,273,545	3,890,102
Office equipment	786,129	57,036	-	843,165	-	468,704	-	468,704	374,461	786,129
Electrical installations	-	-	-	-	-	-	-	-	-	-
Air conditioning and Refrigeration	-	-	-	-	-	-	-	-	-	-
Computers, laptops and printers	243,040	541,084	223,100	561,024	-	212,817	-	212,817	348,207	243,040
Total	5,167,083	1,833,194	223,100	6,777,177	-	1,992,640	-	1,992,640	4,784,537	5,167,083
<i>Previous year</i>				5,167,083						

Particulars	Cost				Amortisation				Book Value	
	As at April 01, 2015	Additions	Deductions	As at March 31, 2016	As at April 01, 2015	For the year	Deductions	As at March 31, 2016	As at March 31, 2016	As at April 01, 2015
Specialised Software	-	-	-	-	-	-	-	-	-	-
Toll collection rights	15,706,167,137	-	-	15,706,167,137	11,420,160	143,311,402	-	154,731,562	15,551,435,575	15,694,746,977
Total	15,706,167,137	-	-	15,706,167,137	11,420,160	143,311,402	-	154,731,562	15,551,435,575	15,694,746,977
<i>Previous year</i>	15,706,167,137			15,706,167,137				11,420,160		

NOTE 3 : INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount in ₹)

Particulars	Cost				Amortisation				Book Value	
	As at April 01, 2015	Additions	Deductions	As at March 31, 2016	As at April 01, 2015	For the year	Deductions	As at March 31, 2016	As at March 31, 2016	As at April 01, 2015
Construction cost	353,174,154	382,711,556	-	735,885,710	-	-	-	-	735,885,710	353,174,154
Pre-operative expenses pending allocation	-	-	-	-	-	-	-	-	-	-
Capital work-in-progress (Plant & Equipment)	64,627,712	16,993,999	-	81,621,711	-	-	-	-	81,621,711	64,627,712
Total	417,801,866	399,705,555	-	817,507,421	-	-	-	-	817,507,421	417,801,866
<i>Previous year</i>										

NOTE 4 : NON-CURRENT INVESTMENT

Particulars	March 31, 2017			March 31, 2016			April 01, 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
a) Land		1,354,000	1,354,000		1,354,000	1,354,000		1,354,000	1,354,000
	-	1,354,000	1,354,000	-	1,354,000	1,354,000	-	1,354,000	1,354,000

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**NOTE 5 : OTHER NON-CURRENT AND CURRENT ASSETS**

Particulars	March 31, 2017			March 31, 2016			April 01, 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Advances other than capital advances									
Advances to related parties	-	1,746,919	1,746,919	-	-	-	-	-	-
Security deposit		1,617,029	1,617,029		1,185,820	1,185,820		1,189,320	1,189,320
Other advances	28,953,995	-	28,953,995	4,001,486	-	4,001,486	9,900,965	-	9,900,965
Advance recoverable other than in cash									
Prepaid Insurance	9,921,565	-	9,921,565	8,245,862	-	8,245,862	2,620,220	-	2,620,220
Prepaid expenses	-	-	-	-	-	-	7,510	-	7,510
Other									
VAT recoverable	1,671,650	-	1,671,650	1,282,910	-	1,282,910	1,195,988	-	1,195,988
	<u>40,547,210</u>	<u>3,363,948</u>	<u>43,911,158</u>	<u>13,530,258</u>	<u>1,185,820</u>	<u>14,716,078</u>	<u>13,724,683</u>	<u>1,189,320</u>	<u>14,914,003</u>
Income tax									
Income tax net of provisions	3,367,748	7,561,584	10,929,332	3,367,748	6,530,297	9,898,045	-	9,571,666	9,571,666
	<u>3,367,748</u>	<u>7,561,584</u>	<u>10,929,332</u>	<u>3,367,748</u>	<u>6,530,297</u>	<u>9,898,045</u>	<u>-</u>	<u>9,571,666</u>	<u>9,571,666</u>

NOTE 6 : INVESTMENTS

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	Current ₹	Quantity	Current ₹	Quantity	Current ₹
	Units	₹	Units	₹	Units	₹
Investments at fair value through Profit and loss						
Investments in mutual funds		-		-		17,028,863
Investment in Commercial paper		-		-		-
Other investments						
		<u>-</u>		<u>-</u>		<u>17,028,863</u>
Aggregate amount of quoted investments						17,000,000
Aggregate amount of market value of above						17,028,863

NOTE 7 : CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
	₹	₹	₹
a) Balances with banks	4,680,364	8,289,507	3,791,517
b) Cash on hand	9,839,025	9,875,826	5,674,819
c) Fixed deposits with banks including interest accrued thereon	-	-	2,223,608
	<u>14,519,389</u>	<u>18,165,333</u>	<u>11,689,944</u>

Details of Specified Bank Notes and other denomination notes held and transacted during the period from November 8, 2016 to December 30, 2016:

	SBNs	Other	Total
Closing cash in hand as on 08.11.2016	2,621,500	1,533,000	4,154,500
(+) Permitted receipts	41,833,500	43,109,091	84,942,591
(-) Permitted payments			
(-) Amount deposited in Banks	(44,455,000)	(35,176,616)	(79,631,616)
Closing cash in hand as on 30.12.2016	-	9,465,475	9,465,475

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**NOTE 8 : SHARE CAPITAL****(i) Authorised, issued, subscribed and paid up**

	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	211,030,000	2,110,300,000	126,030,000	1,260,300,000	120,000,000	1,200,000,000
Issued, subscribed and fully paid up	80,540,000	805,400,000	80,540,000	805,400,000	80,540,000	805,400,000
Equity shares of ₹ 10 each	80,540,000	805,400,000	80,540,000	805,400,000	80,540,000	805,400,000

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

	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	80,540,000	805,400,000	80,540,000	805,400,000	80,540,000	805,400,000
Issued during the year as fully paid		-		-		-
Others	-	-		-		-
At the end of the year	80,540,000	805,400,000	80,540,000	805,400,000	80,540,000	805,400,000

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

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

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 class of shareholder.

No dividend has been declared by Board of Directors during the year ended on 31st March, 2016 (Previous Year - ₹ Nil)

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive the residual assets of the Company, after distribution of all preferential amount.

Optionally convertible cumulative Preference shares

The preference shares carry a preferential right vis-a-vis Equity shares of the Company with respective to payment of dividend and repayment in case of a winding up or repayment of capital.

Preference share holders carries Non-participating rights in the surplus funds.

Preference share holders would be Paid dividend on a cumulative basis.

Preference share holders carry voting rights.

The preference shares are redeemable after completion of the 7th year or before the completion of 10th year from date of allotment at the option of the Company. Preference shares to the extent not redeemed at the end of 10th year from the date of allotment, shall stand converted into equity shares of ₹ 10 /- per share at par. During the year, the terms of preference shares have been changed by transferring them as Compulsory Convertible Preference Shares, the terms of which are as under.

Compulsory convertible Preference shares

The preference shares carry a preferential right vis-a-vis Equity shares of the Company with respective to payment of dividend and repayment in case of a winding up or repayment of capital.

Preference share holders shall be Non-participating rights in the surplus funds.

Preference share holders shall be Non-participating rights in the surplus assets and profit on winding up which may remain after the entire capital has been repaid

Preference share holders would be Paid dividend on non cumulative basis.

Preference share holder carry voting rights as per provisions of Section 47 (2) of the Act

Since the Company does not have profits, no dividend is accrued or payable.

Preference share will be converted into equity share at the option of the company or at the completion of 10th year from the date of allotment.

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

	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)	80,527,000	805,270,000	80,527,000	805,270,000	80,527,000	805,270,000
Larsen and Toubro Limited (ultimate holding company)	13,000	130,000	13,000	130,000	13,000	130,000
	<u>80,540,000</u>	<u>805,400,000</u>	<u>80,540,000</u>	<u>805,400,000</u>	<u>80,540,000</u>	<u>805,400,000</u>

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

	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)	80,527,000	99.98%	80,527,000	99.98%	80,527,000	99.98%

(vi) Shares reserved for issue under options: NIL**(vii) 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****NOTE 10 : BORROWINGS**

Particulars	March 31, 2017			March 31, 2016			April 01, 2015		
	Current ₹	Non-current ₹	Total ₹	Current ₹	Non-current ₹	Total ₹	Current ₹	Non-current ₹	Total ₹
Secured borrowings									
a) Term loans									
i) From banks	281,800,000	8,366,097,593	8,647,897,593	281,800,004	8,645,764,111	8,927,564,115	281,800,004	8,210,652,962	8,492,452,966
Unsecured borrowings									
a) Deferred payment liabilities	-	-	-	-	-	-	407,012,437	-	407,012,437
c) Loans from related parties	220,529,465	-	220,529,465	-	399,206,183	399,206,183	-	337,355,803	337,355,803
d) Commercial papers	-	-	-	-	-	-	-	-	-
	<u>502,329,465</u>	<u>8,366,097,593</u>	<u>8,868,427,058</u>	<u>281,800,004</u>	<u>9,044,970,294</u>	<u>9,326,770,298</u>	<u>688,812,441</u>	<u>8,548,008,765</u>	<u>9,236,821,206</u>

Details of long term borrowings

Particulars	Effective interest rate	Terms of repayment
Term loans from banks	11.05%	8,647,897,593
Term loans from others		
Loans from related parties	Interest Free	220,529,465

Nature of security for term loans

Secured Indian rupee term loans from banks are secured by a first mortgage and charge on all immovable properties except project assets more particularly the freehold non-agricultural land of Mouje Zaap of Sudhagad Taluka District Raigad, b) a first charge on tangible moveable assets except project assets, c) a charge on the accounts, d) a charge on all intangibles, e) charge on uncalled capital, f) in case of substitution under the Substitution agreement, assignment by way of security of the rights, title and interest, to, under the Project Documents, Government approvals and insurance contracts g) rights, title, interest, benefits, claims and demands in, to, under or in respect of all receivables. The loans are further secured by a pledge of 51% of equity shares upto 2 years from Commercial Operations Date.

Presentation of Long term borrowings in the Balance Sheet is as follows:

Particulars	2016-2017	2015-2016	2014-2015
Long term borrowings	8,366,097,593	8,645,764,111	8,210,652,962
Current maturities of long term borrowings	281,800,000	281,800,004	281,800,004

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**NOTE 11 : OTHER FINANCIAL LIABILITIES**

Particulars	March 31, 2017			March 31, 2016			April 01, 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
a) Interest accrued	-	250,420,900	250,420,900	15,889,301	113,193,005	129,082,306	-	62,000,195	62,000,195
b) Other liabilities									
i) Deferred payment liability		6,963,253,464	6,963,253,464		6,265,311,649	6,265,311,649		5,230,312,679	5,230,312,679
	<u>-</u>	<u>7,213,674,364</u>	<u>7,213,674,364</u>	<u>15,889,301</u>	<u>6,378,504,654</u>	<u>6,394,393,955</u>	<u>-</u>	<u>5,292,312,874</u>	<u>5,292,312,874</u>

Deferred Payment liability represents total concession fees of ₹ 24,20,18,17,478/- payable to NHAI as per clause 26.2 of the concession agreement, The Present value of differed payment liability is ₹ 696,32,54,974/-

Particulars	March 31, 2017			March 31, 2016			April 01, 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
NOTE 12 : PROVISIONS									
Provision for employee benefits	813,795	1,673,486	2,487,281	263,266	2,541,613	2,804,879	43,306	1,483,049	1,526,355
Provisions for major maintenance reserve	-	193,631,478	193,631,478	-	94,300,000	94,300,000	-	-	-
	<u>813,795</u>	<u>195,304,964</u>	<u>196,118,759</u>	<u>263,266</u>	<u>96,841,613</u>	<u>97,104,879</u>	<u>43,306</u>	<u>1,483,049</u>	<u>1,526,355</u>

Particulars	March 31, 2017			March 31, 2016			April 01, 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
NOTE 13 : OTHER LIABILITIES									
i) Due to related parties :									
(a) Larsen & Toubro Limited	105,205,526		105,205,526	107,671,244		107,671,244	206,896,703		
ii) Other liabilities	319,639,629	-	319,639,629	43,204,582	-	43,204,582	416,290,009	-	416,290,009
iii) Statutory payables	2,911,389	-	2,911,389	2,916,832	-	2,916,832	17,286,222	-	17,286,222
	<u>427,756,544</u>	<u>-</u>	<u>427,756,544</u>	<u>153,792,658</u>	<u>-</u>	<u>153,792,658</u>	<u>640,472,934</u>	<u>-</u>	<u>433,576,231</u>

NOTE 14 : TRADE PAYABLES

	March 31, 2017		March 31, 2016		April 01, 2015	
	₹	₹	₹	₹	₹	₹
Acceptances						
Due to related parties						
Ultimate Holding company		2,658,903		1,316,614		148,784
Holding company		2,299,793		509,594		220,660
Due to others		12,227,573		3,955,044		3,026,747
		<u>17,186,269</u>		<u>5,781,252</u>		<u>3,396,191</u>

NOTE F : CONTINGENT LIABILITIES

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

NOTE G : COMMITMENT

The Company has an estimated amount of ₹ Nil/- (Previous year: ₹ 41,72,58,151/-) contracts remaining to be executed on capital account as at March 31, 2017.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**NOTE 15 : REVENUE FROM OPERATIONS**

	2016-17		2015-16	
	₹	₹	₹	₹
Operating revenue:				
Toll Collections	<u>1,102,341,300</u>		<u>1,106,791,075</u>	
		<u>1,102,341,300</u>		<u>1,106,791,075</u>
		<u>1,102,341,300</u>		<u>1,106,791,075</u>

NOTE 16 : OTHER INCOME

Interest income from:				
Bank deposits	-		142,800	
Inter-corporate deposits	7,999,928		-	
Others	<u>83,766</u>		<u>-</u>	
		<u>8,083,694</u>		<u>142,800</u>
Fair value through profit or loss		2,478,220		3,381,669
Profit/(loss) on disposal of fixed assets		7,074		(13,820)
Insurance receipt		6,734,801		
Other income		<u>518,829</u>		<u>762,780</u>
		<u>17,822,618</u>		<u>4,273,429</u>

NOTE 17 : OPERATING EXPENSES

Toll Management fees		22,556,585		16,030,958
Security services		14,312,179		11,656,653
Insurance		15,213,043		11,540,621
Concession fee		1		1
Repairs and maintenance				
Toll road & bridge	17,837,969		12,599,563	
Plant and machinery	5,385,896		2,940,314	
Periodic major maintenance	89,200,000		94,300,000	
Others	<u>6,761,659</u>		<u>4,615,549</u>	
		<u>119,185,524</u>		<u>114,455,426</u>
Professional fees		6,304,581		8,431,558
Power and fuel		<u>15,653,723</u>		<u>9,904,692</u>
		<u>193,225,636</u>		<u>172,019,909</u>

NOTE 18 : EMPLOYEE BENEFIT EXPENSES

Salaries, wages and bonus		8,835,021		6,234,953
Contributions to and provisions for:				
Provident fund	519,957		341,479	
Gratuity	444,038		5,161	
Compensated absences	713,447		203,433	
Retention pay	-		976,070	
Others				
		<u>1,677,442</u>		<u>1,526,143</u>
Staff welfare expenses		<u>1,526,074</u>		<u>1,175,511</u>
		<u>12,038,537</u>		<u>8,936,607</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**NOTE 19 : FINANCE COSTS**

	2016-17		2015-16	
	₹	₹	₹	₹
Interest on borrowings		893,030,393		1,005,078,688
Interest on holding company		11,449,116		
Other borrowing cost (specify nature)		155,551,491		129,258,634
Unwinding of discount and implicit interest expense on fair value		726,029,977		641,848,058
		<u>1,786,060,977</u>		<u>1,776,185,380</u>

NOTE 21 : ADMINISTRATION AND OTHER EXPENSES

Rent, Rates and taxes	7,222,614	363,898
Professional fees	27,342,477	17,482,453
Postage and communication	194,628	221,230
Printing and stationery	416,643	456,887
Travelling and conveyance	1,567,535	651,002
Repairs and Maintenance - Others	912,565	1,009,465
Miscellaneous expenses	78,940	896,362
	<u>37,735,402</u>	<u>21,081,297</u>

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

Particulars	2016-17	2015-16
	₹	₹
a) As auditor	298,080	296,784
b) For taxation matters	111,780	111,294
c) For other services	488,599	282,661
Total	898,459	690,739

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

L & T Samakhiali Gandhidham Tollway Limited is a Special Purpose Vehicle (SPV) incorporated on 15-02-2010 for the purpose of strengthening and widening thereof to six lanes of existing 4-lane of 56.16 kilometers. Road stretch from KM 306 to KM 362.16 on Samakhiali to Gandhidham section on National Highway No. 8A in the state of Gujarat and operation and maintenance thereof under Concession Agreement dated 17th March, 2010 with the National Highways Authority of India (NHAI). The Concession is for a period of 24 years including the construction period. At the end of the 24 years the entire facility will be transferred to National Highways Authority of India (NHAI). Independent Engineer and Project Director of National Highway Authority of India have recommended for issuance of provisional completion certificate on 28th February 2015 to NHAI head quarters.

2) The Company has taken annual maintenance services for Toll Equipments in foreign currency during the year for ₹ 10,42,140/- (previous year ₹ Nil).

During the year and previous year the Company does not have any earning in foreign currency.

3) Disclosure pursuant to Ind AS 19 "Employee benefits":**(i) Defined contribution plan:**

The Company's provident fund and super annuation fund are the defined contribution plans. The Company is required to contribute a specified percentage of payroll costs to the recognised provident fund and Life Insurance Corporation of India respectively to fund the benefits. The only obligation of the Company with respect to these plans is to make the specified contributions.

An amount of ₹ 519,957/- (previous year: ₹ 341,479/-) being contribution made to recognised provident fund is recognised as expense and included under Employee benefit expense (Note 18) in the Statement of Profit and loss.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**(ii) Defined benefit plans:****a) Features of its defined benefit plans:****Gratuity:**

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Plan Features

Features of the defined benefit plan	Remarks
Benefit offered	$15 / 26 \times \text{Salary} \times \text{Duration of Service}$
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹ 10,00,000 was applied
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58 years

Leave Encashment:

Features of the defined benefit plan	Remarks
Salary for Encashment	Basic Salary
Salary for Availment	Cost to company
Benefit event	Death or Resignation or Retirement or Availment
Maximum accumulation	300
Benefit Formula	$(\text{Leave Days}) \times (\text{Salary}) / (\text{Leave Denominator})$
Leave Denominator	30
Leaves Credited Annually	30
Retirement Age	58 Years

iii) The company is responsible for governance of the plan.**iv) Risk to the Plan**

Following are the risk to which the plan exposes the entity :

A Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cashflows.

D Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

b) The amounts recognised in Balance Sheet are as follows:

Particulars	Gratuity plan		Compensated absences	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	₹	₹	₹	₹
A) Present value of defined benefit obligation				
– Wholly funded	1,142,601	–	–	–
– Wholly unfunded	–	781,412	908,869	945,976
	1,142,601	781,412	908,869	945,976
Less : Fair value of plan assets	797,802	–	–	–
Net Liability / (asset)	344,799	781,412	908,869	945,976

c) The amounts recognised in the Statement of Profit and loss are as follows:

Particulars	Gratuity plan		Compensated absences	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	₹	₹	₹	₹
1 Current service cost	234,193	221,767	188,797	152,961
2 Past service cost and loss/(gain) on curtailments and settlement		60,763	(104,609)	56,581
3 Net Interest Cost	30,109	50,969	69,544	64,398
4 Net value of remeasurements on the obligation and plan assets			(86,167)	(70,507)
5 Adjustment for earlier years				
Total Charge to Statement of Profit and Loss	264,302	333,499	67,565	203,433

d) Other Comprehensive Income for the period

Particulars	Gratuity plan		Compensated absences	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	₹	₹	₹	₹
Components of actuarial gain/losses on obligations:				
Due to changes in demographic assumptions	–	25,595	–	80,086
Due to changes in financial assumptions	42,876	–	40,515	–
Due to experience adjustments	25,240	(189,759)	(126,682)	(150,593)
Return on plan assets excluding amounts included in interest income	21,752	–	–	–
Amounts recognized in Other Comprehensive Income	89,868	(164,164)	(86,167)	(70,507)

e) Reconciliation of Defined Benefit Obligation:

Particulars	Gratuity plan		Gratuity plan	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	₹	₹	₹	₹
Opening balance of the present value of defined benefit obligation	781,412	657,390	945,976	843,201
Add: Current service cost	234,193	221,767	188,797	152,961
Add: Interest cost	58,880	50,959	69,544	64,398
Add: Contribution by plan participants				
i) Employer	–	–	–	–
ii) Employee	–	–	–	–
Add/(less): Actuarial losses/(gains)	68,116	(164,164)	(86,167)	(70,507)
Less: Benefits paid		(45,303)	(104,672)	(100,658)
Add: Past service cost		60,763	(104,609)	56,581
Closing balance of the present value of defined benefit obligation	1,142,601	781,412	908,869	945,976

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

f) Reconciliation of Plan Assets:

Particulars	Gratuity plan		Compensated absences	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	₹	₹	₹	₹
Interest Income	28,771	–	–	–
Return on plan assets excluding amounts included in interest income	(21,752)	–	–	–
Contributions by employer	790,783	–	–	–
Closing value of plan assets	797,802	–	–	–

g) Reconciliation of Net Defined Benefit Liability:

Particulars	Gratuity plan		Compensated absences	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	₹	₹	₹	₹
Net opening provision in books of accounts	781,412	657,390	945,976	843,201
Employee Benefit Expense	264,302	333,489	67,565	203,433
Amounts recognized in Other Comprehensive Income	89,868	(164,164)	–	–
	1,135,582	826,715	1,013,541	1,046,634
Benefits paid by the Company		(45,303)	(104,672)	(100,658)
Contributions to plan assets	(790,783)	–	–	–
Closing provision in books of accounts	344,799	781,412	908,869	945,976

h) Principal actuarial assumptions at the Balance Sheet date:

Particulars	As at March 31, 2017	As at March 31, 2016
1) Discount rate	6.95%	7.80%
2) Salary growth rate	6.00%	6.00%
3) Withdrawal rate	15% at younger ages reducing to 3% at older age	15% at younger ages reducing to 3% at older age

i) A quantitative sensitivity analysis for significant assumption as at 31 March 2017

Particulars	Change in Assumptions	Impact on Defined Benefit Obligation	
	Increase/(Decrease)	Increase/(Decrease) in Assumptions	
	%	₹	%
Discount Rate	0.50%	1,116,821	-2.30%
	-0.50%	1,170,116	2.40%
Salary Growth Rate	0.50%	1,170,239	2.40%
	-0.50%	1,116,478	-2.30%

j) The expected contributions to the defined benefit plan in the next annual reporting period (March 31, 2018) is ₹.70,603/-

k) The major categories of plan assets plan assets are as follows :

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Insurer managed funds	100%	–	–
Investments quoted in active markets	–	–	–
Cash and cash equivalents	–	–	–
Unquoted investments	–	–	–
Total	100%	0%	0%

l) Details of Asset-Liability Matching Strategy

There are no minimum funding requirements for a Gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

4) Disclosure pursuant to Ind AS 23 “Borrowing Costs”

Borrowing cost capitalised during the year ₹ Nil. (previous year :₹ Nil).

5) 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.

6) 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	:	Ahmedabad - Maliya Tollway Limited L&T Rajkot – Vadinar Tollway Limited L&T Halol Shamlaji Tollway Limited PNG Tollway Limited Panipat Elevated Corridor Limited Krishnagiri Thopur Toll Road Limited L&T Transportation Infrastructure Limited
Key Managerial Personnel	:	Manager - Mr. Chandrashekhar N Dolpide (Till 02nd Feb 2017) CFO- Nandhini M
Key Managerial Personnel of Holding Company	:	Manager - Mr. K.Venkatesh CFO- Karthikeyan T.V

b) Disclosure of related party transactions:

Nature of transaction/relationship	2016 – 17	2015 – 16
	₹	₹
1. Purchase of goods and services incl. taxes		
Holding company, L&T Infrastructure Development Projects Ltd.	21,431,168	17,615,867
Ultimate Holding company, Larsen & Toubro Limited	273,378,637	736,575,850
Fellow subsidiary: L&T General Insurance Company Limited		13,948,646
2. Fellow subsidiaries, including:		
Ahmedabad - Maliya Tollway Limited		35,831
L&T Rajkot – Vadinar Tollway Limited	390,268	–
L&T Halol Shamlaji Tollway Limited	1	199,393
PNG Tollway Limited	2,908,132	38,535
Panipat Elevated Corridor Limited	19,879	–
3. Sale of Property Plant & Equipments		
Holding company, L&T Infrastructure Development Projects Ltd.	21,706	–
Fellow subsidiaries:		
Ahmedabad - Maliya Tollway Limited	485,669	66,119
L&T Halol Shamlaji Tollway Limited	30,955	–
Krishnagiri Thopur Toll Road Limited	–	1
L&T Transportation Infrastructure Limited	1	–
4. Interest accrued on Unsecured Loan		
Holding company, L&T Infrastructure Development Projects Ltd.	11,449,116	29,580,435

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Nature of transaction/relationship	2016 – 17	2015 – 16
	₹	₹
5. Reimbursement of expenses charged from		
Holding company, L&T Infrastructure Development Projects Ltd.		147,590
Fellow subsidiaries		
Ahmedabad - Maliya Tollway Limited	21,707	31,433
L&T Halol Shamlaji Tollway Limited	74,805	21,588
Krishnagiri Thopur Toll Road Limited	–	63,000
L&T BPP Tollway Limited	452,223	–
6. Reimbursement of expenses charged to		
Subsidiaries & fellow subsidiaries, including		
Ahmedabad - Maliya Tollway Limited	–	84,731
L&T Rajkot – Vadinar Tollway Limited	381,226	–
L&T Halol Shamlaji Tollway Limited	1,059,335	–
7. Unsecured loans received		
L&T Infrastructure Development Projects Limited	–	680,300,000
Vadodara Bharuch Tollway Limited	88,500,000	–
8. Refundable deposit received for Director's Nomination		
Holding company, L&T Infrastructure Development Projects Ltd.	200,000	100,000
9. Conversion of Unsecured Loan in to Preference Shares		
L&T Infrastructure Development Projects Limited		
0.01% Optionally Convertible Cumulative Preference Shares	485,257,800	454,900,000
Conversion of 0.01% Optionally Convertible Cumulative Preference Shares to 0.01% Compulsory Convertible Preference Shares	940,157,800	–

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

(Amount in ₹)

Particulars	Amounts due (to) / from	Amounts due (to) / from
	As at March 31, 2017	As at March 31, 2016
Ultimate Holding Company		
Larsen & Toubro Limited	(107,864,429)	(108,987,858)
Holding Company		
L&T Infrastructure Development Projects Limited	(2,299,793)	(291,398,895)
Fellow Subsidiaries		
PNG Tollway Limited	1,746,919	–

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 Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2016: INR 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 provision for bad and doubtful debts to related parties with regard to outstanding expenses and there is no expense recognized in respect of bad and doubtful debts due from related parties.

f) Compensation of Key Management personnel of the group (Amount in ₹)

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Short term employee benefits	3,168,652	3,046,777
Post employment gratuity and medical benefits		
Other long term benefits		
Termination benefits		
Share based payment transactions		

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**8) Disclosure pursuant to Ind AS 12 - "Income taxes"**

The Company has not recognised any deferred tax liability in the books of accounts as the timing difference arising on account of differences in tax liability as per Income tax act, 1961 and books of accounts falls within the tax holiday period under Section 80 IA of the Income Tax, 1961.

9) 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 earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	(1,070,494,159)	(1,012,462,731)
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	80,540,000	80,540,000
Basic earnings per equity share (₹)	A / B	(13.29)	(12.57)

Potential equity shares that will arise on conversion of Compulsary Convertible Cumulative Preference Shares are resulting into anti dilution of EPS in the current year. Hence they have not been considered in the computation of diluted EPS in accordance with Ind AS 33 "Earnings Per Share."

10) Disclosure pursuant to Ind AS 36 "Impairment of Assets"

Based on a review of the future discounted cash flows of the project facility, the recoverable amount is higher than the carrying amount and hence no provision for impairment is made for the year.

11) Disclosures as per Ind AS 37 - "Provisions, Contingent Liabilities and Contingent assets"**a) Nature of provision:**

The company is required to operate and maintain the project highway during the entire concession period and hand over the project back to the Authority (NHAI) as per the maintenance standards prescribed in Concession agreement.

b) Movement in provisions:

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Opening balance	94,300,000		
Additional provision	89,200,000	94,300,000	-
Utilised			
Unused amounts reversed			
Unwinding of discount and changes in discount rate	10,131,478	-	
Closing balance	193,631,478	94,300,000	-

c) Contingent liabilities :

Disclosure in respect of contingent liabilities is given as part of Note no. (q) to the Balance Sheet.

12) Disclosure pursuant to Ind AS 11 - "Construction Contracts"

Amount of contract revenue recognised in the year : ₹ 48,01,91,826/-

Method used to recognise the constructions revenue - Work executed during the year and remaining to be executed

13) Disclosure pursuant to Ind AS 38 - "Intangible Assets"

Intangible asset	Useful Life	Amortisation method used	Internally generated or Acquired
Toll Equipments	07 Years	Straight Line Method	
Toll collection rights	20 Years	Revenue Based	

14) Disclosures pursuant to Ind AS 1 - "Presentation of Financial Statements"

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

(Ind AS 1 requires the company to make quantitative and qualitative disclosures regarding objectives policies and processes for managing capital. Also, if comparative amounts are reclassified, nature amount and reason to be disclosed and not just the fact of reclassification.)

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

15) First time adoption of Ind AS

First time adoption of Ind AS

The Company has prepared opening balance sheet as per Ind AS as of April 1, 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 Company has opted to continue with the carrying value for all of its PPE as recognised in its previous GAAP financial as deemed cost at the transition date.
4. The Company has decided to continue with the revenue based amortisation method for existing road concessions.

The financial statements were approved for issue by the board of directors on 28th April, 2017

Transitional Details

(i) Borrowings

Under previous Indian GAAP, transaction costs incurred in connection with borrowings are capitalise and amortised accordingly. For transition to IndAS, such transaction costs are adjusted with the fair value of the borrowings on initial recognition. Interest on the borrowings is accounted under the Effective Interest Rate method (EIR). Accordingly borrowings as at 31 March 2015 have been reduced by ₹. 1,83,47,038/- Consequently an amount of ₹. 1,85,03,778/- has been derecognised from toll collection rights with an effect of ₹. 1,56,740/- to retained earnings.

(ii) Provisions

Under previous Indian GAAP, the Company had accounted for provisions, including the provision periodic major maintenance at the amounts expected to settle the obligation on an undiscounted basis since the previous GAAP prohibited discounting of provisions other than employee benefits. For transition to Ind AS, the provisions are recognised at the present value of the expenditure expected to be required to settle the obligation. The difference between the carrying amount of provisions under IndAS and IGAAP is accounted for in the opening reserves amounting to ₹. Nil Consequently, provision for periodic major maintenance as at the transition date is adjusted to the extent of ₹. Nil

(iii) Negative Grant/Additional Concession fee payable

Under Indian GAAP, the amount of Negative Grant / Additional Concession fee payable over the concession period is capitalized as part of Toll Collection Rights on the "Commercial Operations Date", on an undiscounted basis by recognising a Deferred payment liability to the extent of the amount of Negative Grant/Additional Concession fee payable. For transition to IndAS, the Deferred payment liability is restated to its present value by using a discount rate that matches with the tenor of the liability and that reflects market assessments of the interest payable on such liabilities. Consequently, the toll collection rights is reduced by ₹.18,61,48,30,895/-

(iv) Interest free Mezzanine Debt from the Holding Company

The Company received interest free loan in the nature of promoters' contribution from the Holding Company under the Common Loan Agreement entered with the Project Lenders. As per the terms of the agreement, such interest-free loan was repayable after the lenders are paid in full hence were classified as "Promoters' Mezzanine Debt" and disclosed under Long term borrowings from related parties. For transition to IndAS, since the Company does not have an unconditional right to not deliver cash or other financial asset to settled the obligation, the interest-free Mezzanine debt is fair valued on initial recognition. The difference between the amount received and fair value on initial recognition is recognised as "Equity Component of Other Financial Instruments" and included as part of "Other equity". Consequently, interest free mezzanine debt is reduced by ₹. 27,19,67,352/- by a corresponding adjustment to "Equity Component of Other Financial Instruments".

(v) Current investments

Under previous 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 ₹.14,28,863/- with a corresponding increase in the reserves.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**16) Financial Instruments**

Disclosure of Financial Instruments by Category

Financial instruments by categories	Note no.	31.03.2017			31.03.2016			01.04.2015		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial asset										
Security Deposits	5	-	-	1,617,029	-	-	1,185,820	-	-	1,189,320
Advance to Related Parties	5			1,746,919						
Investments	6	-	-	-	-	-	-	17,028,863	-	-
Cash and cash equivalents	7	-	-	14,519,389	-	-	18,165,333	-	-	11,689,944
Other Current Financial Asset		-	-	-	-	-	-	-	-	-
Total Financial Asset		-	-	17,883,337	-	-	19,351,153	17,028,863	-	12,879,264
Financial liability										
Term Loan from Banks	10	-	-	8,647,897,593	-	-	8,927,564,115	-	-	8,210,652,962
Loans from related parties	10	-	-	220,529,465	-	-	399,206,183	-	-	337,355,803
Revenue Share Payable to NHAI (Including Interest)	11	-	-	7,213,674,364	-	-	6,394,393,955	-	-	5,292,312,874
Other Current Financial Liabilities	11						15,889,301			
Trade Payables	14	-	-	17,186,269	-	-	5,781,252	-	-	3,396,191
Total Financial Liabilities		-	-	16,099,287,691	-	-	15,742,834,806	-	-	13,843,717,830

Default and breaches

There are no defaults with respect to payment of principal interest, sinking fund or redemption terms and no breaches of the terms and conditions of the loan.

There are no breaches during the year which permitted lender to demand accelerated payment.

17) Fair value of Financial asset and liabilities at amortized cost

Particular	Note no.	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets							
Security Deposits	5	1,617,029	1,617,029	1,185,820	1,185,820	1,189,320	1,189,320
Cash and cash equivalents	7	14,519,389	14,519,389	18,165,333	18,165,333	11,689,944	11,689,944
Advance to Related Parties	5	1,746,919	1,746,919				
Total Financial Assets		17,883,337	17,883,337	19,351,153	19,351,153	12,879,264	12,879,264
Financial liability							
Term Loan from Banks	10	8,647,897,593	8,647,897,593	8,927,564,115	8,927,564,115	8,210,652,962	8,210,652,962
Loans from related parties	10	220,529,465	220,529,465	399,206,183	399,206,183	337,355,803	337,355,803
Revenue Share Payable to NHAI (Including Interest)	11	7,213,674,364	7,213,674,364	6,394,393,955	6,394,393,955	5,292,312,874	5,292,312,874
Other Current Financial Liabilities	11	-	-	15,889,301	15,889,301	-	-
Trade Payables	14	17,186,269	17,186,269	5,781,252	5,781,252	3,396,191	3,396,191
Total Financial Liabilities		16,099,287,691	16,099,287,691	15,742,834,806	15,742,834,806	13,843,717,830	13,843,717,830

The carrying amount of current financial assets and current trade and other payables measured at amortised cost are considered to be the same as their fair values, due to their short term nature.

The carrying amount of Security Deposit measured at amortized cost is considered to be the same as its fair value due to its insignificant value.

The carrying value of Rupee Term Loan and Loan from Related Party approximate fair value as the instruments are at prevailing market rate.

The carrying value of Revenue Share Payable to NHAI(Including Interest) reasonably approximates its fair value, hence their carrying value is considered to be same as their fair value.

Refer Note H(23) for information on Financial Asset pledged as security

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**18) Fair Value Measurement**

Fair Value Measurement of Financial asset and Financial liabilities

Fair value hierarchy

As at March 31, 2017

Financial Asset & Liabilites Measured at FV - Recurring FVM	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL					
Investments in Mutual Funds	6	-	-	-	-
Total of Financial Assets		-	-	-	-
Financial Liabilities measured at FVTPL					
		-	-	-	-
Total of Financial Liabilities		-	-	-	-
Financial Asset & Liabilites Measured at Amortized cost for which fair values are to be disclosed	Note No.	Level 1	Level 2	Level 3	Total
Financial Assets					
Security Deposits	5	-	1,617,029	-	1,617,029
Cash and cash equivalents	7	-	14,519,389	-	14,519,389
Advance to Related Parties	5	-	1,746,919	-	1,746,919
Total of Financial Assets		-	17,883,337	-	17,883,337
Financial Liabilities					
Term Loan from Banks	10	-	8,647,897,593	-	8,647,897,593
Loans from related parties	10	-	220,529,465	-	220,529,465
Revenue Share Payable to NHAI (Including Interest)	11	-	7,213,674,364	-	7,213,674,364
Other Current Financial Liabilities	11	-	-	-	-
Trade Payables	14	-	17,186,269	-	17,186,269
Total Financial liabilities		-	16,099,287,691	-	16,099,287,691

As at March 31, 2016

Financial Asset & Liabilites Measured at FV - Recurring FVM	Level 1	Level 2	Level 3	Total	
Financial asset measured at FVTPL					
Investments in Mutual Funds	6	-	-	-	-
Total of Financial Assets		-	-	-	-
Financial Liabiliteis measured at FVTPL					
		-	-	-	-
Total of Financial Liabilities		-	-	-	-
Financial Asset & Liabilites Measured at Amortized cost for which fair values are to be disclosed	Level 1	Level 2	Level 3	Total	Total
Financial Assets					
Security Deposits	5	-	1,185,820	-	1,185,820
Cash and cash equivalents	7	-	18,165,333	-	18,165,333
Total Financial Assets		-	19,351,153	-	19,351,153
Financial Liabilities					
Term Loan from Banks	10	-	8,927,564,115	-	8,927,564,115
Loans from related parties	10	-	399,206,183	-	399,206,183
Revenue Share Payable to GSRDC (Including Interest)	11	-	6,394,393,955	-	6,394,393,955
Other Current Financial Liabilities	11	-	15,889,301	-	15,889,301
Trade Payables	14	-	5,781,252	-	5,781,252
Total Financial Liabilities		-	15,742,834,806	-	15,742,834,806

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

As at April 1, 2015

Financial Asset & Liabilities Measured at FV - Recurring FVM		Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL					
Investments in Mutual Funds	6	17,028,863	–	–	17,028,863
Total of Financial Assets		17,028,863	–	–	17,028,863
Financial Liabilities measured at FVTPL					
Total of Financial Liabilities		–	–	–	–
Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed		Level 1	Level 2	Level 3	Total
Financial Assets					
Security Deposits	5	–	1,189,320	–	1,189,320
Cash and cash equivalents	7	–	11,689,944	–	11,689,944
Total of Financial Assets		–	12,879,264	–	12,879,264
Financial Liabilities					
Term Loan from Banks	10	–	8,210,652,962	–	8,210,652,962
Loans from related parties	10	–	337,355,803	–	337,355,803
Revenue Share Payable to GSRDC (Including Interest)	11	–	5,292,312,874	–	5,292,312,874
Trade Payables	14	–	3,396,191	–	3,396,191
Total of Financial Liabilities		–	13,843,717,830	–	13,843,717,830

There are no transfer between level 1 and level 2 during the year

The company policy is to recognise transfers into and transfer out of fair values hierarchy levels as at the end of the reporting period

Valuation technique and inputs used to determine fair value

Financial assets and liabilities	Valuation method	Inputs
Financial assets		
Investment in Mutual Funds	Market Approach	NAV
Security deposit	Income	Cash flow
Financial liabilities		
Term Loan from Banks	Income	Current Bank Rate
Loans from Related parties	Income	Current Bank Rate
Revenue Share Payable toNHAI (Including Interest)	Income	Cash flow

19) Asset pledged as security

Particulars	Note no	31.03.2017	31.03.2016	01.04.2015
Non Financial Asset				
Property, Plant & Equipment	1	10,450,758	4,784,537	5,167,083
Other Financial Asset	5	17,883,337	19,351,153	12,879,264
Financial Asset				
Cash and Cash Equivalents	7	14,519,389	18,165,333	11,689,944
Investments In Mutual Fund	6	–	–	17,028,863
Other Financial Asset	5	28,953,995	4,001,486	9,900,965
TOTAL		71,807,479	46,302,509	56,666,119

20) Financial Risk Management

The company's activities expose it to variety of financial risks : market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**Market risk**

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

i Foreign Currency Risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate.

The company is not exposed to foreign currency risk as it has no borrowing in foreign currency.

ii Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Interest risk arises to the company mainly from Long term borrowings with variable rates. The company measures risk through sensitivity analysis.

Currently, Lending by Commercial Banks is at variable rate only, which is the inherent business risk.

The company's exposure to interest rate risk due to variable interest rate borrowings is as follows:

Particulars	31.03.2017	31.03.2016	01.04.2015
Senior Debt from Banks - Variable rate borrowings	8,647,897,593	8,927,564,115	8,492,452,966

Sensitivity analysis based on average outstanding Senior Debt

Interest Rate Risk Analysis	Impact on profit/ loss after tax	
	FY 2016-17	FY 2015-16
Increase or decrease in interest rate by 25 base point	21,969,327	21,775,021

Note: Profit will increase in case of decrease in interest rate and vice versa

iii Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The company is exposed to price risk due to investments in mutual funds and classified as fair value through profit and loss.

The company measures risk through sensitivity analysis.

The company's risk management policy is to mitigate the risk by investments in diversified mutual funds.

The company's exposure to price risk due to investments in mutual fund is as follows:

Particulars	Note No.	31.03.2017	31.03.2016	01.04.2015
Investments in Mutual Funds			-	17,028,863

Sensitivity Analysis

	Impact on profit/ loss after tax	
	31.03.2017	31.03.2016
Increase or decrease in NAV by 2%	-	-

Note - In case of decrease in NAV profit will reduce and vice versa.

iv Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

The company is exposed to liquidity risk due to bank borrowings and trade and other payables.

The company measures risk by forecasting cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

The following are the contractual maturities of financial liabilities

As at March 31, 2017	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Senior Debt from Banks	8,647,897,593	281,800,000	563,700,000	2,818,400,000	4,983,997,593
Trade Payables	17,186,269	17,186,269			
Derivative Financial Liability	NIL	NIL	NIL	NIL	NIL

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

As at March 31, 2016	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Senior Debt from Banks	8,927,564,115	281,800,004	281,800,000	2,348,700,000	6,015,264,111
Trade Payables	5,781,252	5,781,252			
Derivative Financial Liability	NIL	NIL	NIL	NIL	NIL

As at April 01, 2015	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Senior Debt from Banks	8,492,452,966	281,800,000	281,800,000	1,691,000,000	6,237,852,966
Trade Payables	3,396,191	3,396,191			
Derivative Financial Liability	NIL	NIL	NIL	NIL	NIL

v Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The company generally does not have trade receivables as collection of toll income coincide as and when the traffic passes through toll - plazas. Hence, the management believes that the company is not exposed to any credit risk.

21 Disclosure pursuant to Appendix - A to Ind AS 11 - " Service Concession Arrangements"**i Description and classification of the arrangement**

L & T Samakhiali Gandhidham Tollway Limited is a Special Purpose Vehicle (SPV) incorporated on 15-02-2010 for the purpose of strengthening and widening thereof to six lanes of existing 4-lane of 56.16 kilometers. Road stretch from KM 306 to KM 362.16 on Samakhiali to Gandhidham section on National Highway No. 8A in the state of Gujarat and operation and maintenance thereof under Concession Agreement dated 17th March, 2010 with the National Highways Authority of India (NHAI). The Concession is for a period of 24 years including the construction period. At the end of the 24 years the entire facility will be transferred to National Highways Authority of India (NHAI). Independent Engineer and Project Director of National Highway Authority of India have recommended for issuance of provisional completion certificate on 28th February 2015 to NHAI head quarters.

ii Significant Terms of the arrangements**(a) Revision of Fees:**

Fees shall be revised annually on April 01 as per Schedule R of the Concession Agreement dated March 17, 2010.

(b) Concession Fee & Additional Concession Fees:

As per Article 26 of the Concession Agreement, the company is liable to pay Concession Fee ₹ 1 every year. The company is also liable of payment of Premium ₹ 58.41 Crs on the appointed date and 5% increase in each year.

iii Rights of the Company for use Project Highway

a To demand, collect and appropriate, Fee from vehicles and person liable for payment of Fee for using the Project Highway or any part thereof and refuse entry of any vehicle if the Fee due is not paid.

b Right of Way, access and licence to the Site.

iv Obligation of the Company

a The company shall not assign, transfer or sublet or create any lien or Encumbrance on the CA or the Concession granted or on the whole or any part of the Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by CA or the Substitution Agreement.

b The company is under obligation to carry out the routine and periodic maintenance of Project Highway as per Schedule K of the CA.

v Details of any assets to be given or taken at the end of concession period

At the end of the Concession period the company shall deliver the actual or constructive possession of the Project Highway, free and clear of all encumbrances.

vi Details of Termination

CA can be terminated on account of default of the company or NHAI in the circumstances as specified under article 37 of the CA.

vii Significant Changes in the terms Original Concession Agreement till 31st March 2017.

In view of Shortfall on toll collection, NHAI vide letter dated 10th November 2015 has given in principle approval for deferment of premium payment and interest outstanding on premium as on 31st March 2017 and for premium relating to the future years till 2020-21.

NOTE 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

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 H(15) for an explanation on how the transition from previous IGAAP to IndAS has affected the Company's financial position, financial performance and cash flows.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/liability	Fair value of plan assets less present value of defined benefit obligations
Assets held for sale	fair value less costs to sell

(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 and intangible fixed assets, allowance for doubtful debts/ advances, future obligations in respect of retirement benefit plans, provisions for resurfacing obligations, 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.

- Toll collections from the users of the infrastructure facility constructed by the Company under the Service Concession Arrangement is accounted for based on actual collection, net of revenue share payable under the Concession agreement wherever applicable. Revenue from sale of smart cards is accounted on cash basis.
- Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate. Interest Income on non-performing assets is recognised upon realization, as per guidelines issued by the Reserve Bank of India.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

- c) License fees for way-side amenities are accounted on accrual basis.
- e) Revenue from annuity based projects is recognised in the Statement of Profit and Loss over the concession period of the respective projects based on the implicit rate of return embedded in the projected cash flows. Such income is duly adjusted for any variation in the amount and timing of the cash flows in the period in which such variation occurs.
- f) Project facilitation and advisory fees are recognised using proportionate completion method based on the agreement / arrangement with customers.
- g) Revenue from windmill operations is recognised based on contractual agreements with the holding company and the state electricity board.
- h) Contract revenue for fixed price contracts is recognised only to the extent of cost incurred that it is probable will be recoverable till such time the outcome of the job cannot be ascertained reliably. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

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

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

For this purpose, actual cost includes cost of land and developmental rights but excludes borrowing cost. Expected loss, if any, on the construction activity is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

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

- i) Fair value gains on current investments carried at fair value are included in Other income.
- j) Dividend income is recognised when the right to receive the same is established by the reporting date.
- k) Other items of income are recognised as and when the right to receive arises.

4 Inventories

Inventories are stated at lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Project work-in-progress is carried at cost net of incidental income.

5 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.

8 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.

9 Property, plant and equipment (PPE)

A. Domestic Companies

Freehold land is carried as historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and cumulative impairment. Historical cost includes expenditure that is directly attributable to acquisition of the items. Land acquired under long term lease is classified as "Property, Plant and equipment" and is depreciated over the period of lease.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Properties in the course for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes expenditure that is directly attributable and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and assets under construction) less their residual values over their useful lives using the straight-line method. The estimated useful lives and residual values are reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of the assets are as follows:

Category of Property, plant and equipment	Estimated useful life (in years)
Buildings including ownership flats	50
Plant and equipment:	
DG Sets	12
Air-conditioning and refrigeration equipment	12
Split AC and Window AC	4
Furniture and fixtures	10
Vehicles:	
Motor cars (other than those under the Company owned car scheme)	7
Motor cars (under the Company owned car scheme)	5
Motor cycles, scooters and other mopeds	10
Tractors and other vehicles	8
Office equipment:	
Multifunctional devices, printers, switches and projectors	4
Other office equipments	5
Computers:	
Servers and systems	6
Desktops, laptops, etc,	3
Wind power generating plant	20
Electrical installations	10

An item of property, plant and equipment is derecognised upon disposal. Any gain or loss arising on the disposal of an item of property plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

For transition to IndAS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as of April 01, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost on the transition date.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

B. Foreign Companies

Depreciation has been provided on methods and at the rates required/permissible by the local laws so as to depreciate the assets over their useful life.

10 Amortisation of intangible assets

Toll collection rights in respect of road projects are amortized over the period of concession using the revenue based amortisation method prescribed under Schedule II to the Companies Act, 2013. Under the revenue based method, amortisation is provided based on proportion of actual revenue earned till the end of the year to the total projected revenue from the intangible asset expected to be earned over the concession period. Total projected revenue is reviewed at the end of each financial year and is adjusted to reflect the changes in earlier estimate vis-a-vis the actual revenue earned till the end of the year so that the whole of the cost of the intangible asset is amortised over the concession period.

For transition to IndAS, the Company has availed the option to continue with the Revenue based amortisation method prescribed under Schedule II to the Companies Act, 2013 for toll collection rights recognised under service concession arrangements recognised for the period ending immediately before the beginning of the first IndAS reporting period as per the previous Indian GAAP.

12 Exceptional items

On certain occasions, the size, type or incidence of an item of income or expense is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

13 Intangible assets

a) Rights under Service Concession Arrangements

Intangible assets are recognised when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment.

Toll Projects (Right to charge users)

Toll collection rights obtained in consideration for rendering construction services, represent the right to collect toll revenue during the concession period in respect of Build-Operate-Transfer ("BOT") project undertaken by the Company. Toll collection rights are capitalized as intangible assets upon completion of the project at the cumulative construction costs plus the present value of obligation towards negative grants and additional concession fee payable to National Highways Authority of India ("NHA")/State authorities, if any. Till the completion of the project, the same is recognised under intangible assets under development. The revenue from toll collection/other income during the construction period is reduced from the carrying amount of intangible assets under development.

The cost incurred for work beyond the original scope per Concession agreement (normally referred as "Change of Scope") is capitalized as intangible asset under development as and when incurred. Reimbursement in respect of such amounts from NHA/State authorities are reduced from the carrying amount intangible assets to the extent of actual receipts.

Extension of concession period by the authority in compensation of claims made are capitalised as part of Toll Collection Rights at the time of admission of the claim or when there is a contractual right to extension at the estimated amount of claims admitted or computed based on average collections whichever is more evident.

Any Viability Gap Funding (VGF) in the form of equity support in connection with project construction is accounted as a receivable and is adjusted to the extent of actual receipts.

Pre-operative expenses including administrative and other general overhead expenses that are directly attributable to the development or acquisition of intangible assets are allocated and capitalized as part of cost of the intangible assets.

Intangible assets that not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets under development".

b) Other intangible assets

Specialized software is amortized over a period of three to six years on straight line basis from the month in which the addition is made.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the assets' revised carrying amount over its remaining useful life.

14 Foreign currency transactions and translations

- a) Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- b) Financial statements of overseas non-integral operations are translated as under :
 - i) Assets and liabilities at rate prevailing at the end of the year. Depreciation and amortisation is accounted at the same rate at which assets are converted
 - ii) Revenues and expenses at yearly average rates prevailing during the year
- c) Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing rate are :
 - (a) adjusted in the cost of fixed assets specifically financed by the borrowings contracted, to which the exchange differences relate.
 - (b) recognised as income or expense in the period in which they arise except for:
 - i. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs in a foreign currency not translated.
 - ii. exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
 - iii. exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items
- d) Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Consolidated Statement of Profit and Loss.
- e) Financial statements of foreign operations are translated into Indian Rupees as follows:
 - (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
 - (ii) income and expenses for each income statement are translated at average exchange rates; and

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

- (iv) all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve (FCTR) and the same is subsequently reclassified to profit or loss on disposal of a foreign operation.
- f) Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalized as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.
- g) Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortized over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

15 Government grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve.

16 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.

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. The determination of carrying amount of such investments is done on the basis of weighted average cost of each individual investment.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the requirements of cost model.

For transition to IndAS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as of April 01, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost on the transition date.

17 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

(i) Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

(ii) Post employment benefits

- (a) Defined contribution plans:

The Company's superannuation scheme and State governed provident fund linked with employee pension scheme are defined contribution plans. The contribution paid/ payable under the scheme is recognised during the period in which the employee renders the related service.

- (b) Defined benefit plans:

The employees' gratuity fund scheme and the provident fund scheme managed by the trust of the Holding Company are the Group's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

Remeasurement, comprising actuarial gains and losses, the return on plan assets (excluding net interest) and any change in the effect of asset ceiling (if applicable) are recognised in other comprehensive income and is reflected immediately in retained earnings and is not reclassified to profit & loss.

The interest element in the actuarial valuation of defined benefit plans, which comprises the implicit interest cost and the impact of changes in discount rate, is classified under finance cost. The balance charge is recognised as employee benefit expenses in the Statement of Profit and Loss.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

(iii) Other long term employee benefits:

The obligation for other long term employee benefits such as long term compensated absences, liability on account of Retention Pay Scheme are recognised in the same manner as in the case of defined benefit plans as mentioned in (ii)(b) above.

(iv) Termination benefits

Termination benefits such as compensation under Voluntary Retirement cum Pension Scheme are recognised as expense and a liability is recognised at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

18 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 Consolidated 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 Consolidated Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

19 Segment reporting

The Group 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) read with SEBI's circular dated 05 July 2016. 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.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

20 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

- (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.

21 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.

22 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.

23 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- (a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortized over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the higher of the fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimated future cash flows have not been adjusted.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

24 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)

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

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.

25 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.

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.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

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

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Impairment of financial assets (Expected Credit Loss Model)

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, other contractual rights to receive cash or other financial asset and financial guarantees not designated at FVTPL

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e.. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument, through the expected life of the financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the life-time expected credit losses if the credit risk on that financial instrument has increase significantly since initial recognition. If the credit risk has not increased significantly, the Company measures the loss allowance at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the life-time cash shortfalls that will result if the default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

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

28 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

29 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilizing the credits.

30 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.

31 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.

32 Commitments

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

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

- (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.

Note A: First time adoption of Ind AS

The Company has prepared opening balance sheet as per Ind AS as of April 1, 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 accounted for changes in a parent's ownership in a subsidiary that does not result in loss of control in accordance with Ind AS 110, prospectively from the date of transition.
3. The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.
4. The Company has opted to continue with the carrying value for all of its PPE & investment property as recognised in its previous GAAP financial as deemed cost at the transition date.
5. Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before 01 April 2015.
6. The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.
7. The company has assessed all contracts and arrangements for embedded leases based on conditions in place as at the date of transition.
8. The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date.
9. 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.
10. The Company has not elected the option to reset the cumulative translation differences on foreign operations that exist as of the transition date to zero.
11. The Company has decided to continue with the revenue based amortisation method for existing road concessions.

As per our report attached

For and on behalf of the Board

For **GIANENDER & ASSOCIATES**
Chartered Accountants
Firm's Regn. No. 004661N

MANJU AGRAWAL
Partner
Membership No. 083878

SRIDHAR RAMAKRISHNAN
Company Secretary
M. No. A8840

NANDHINI M.
Chief Financial Officer

T.S.VENKATESAN
Director
DIN: 01443165

ESTHER MALINI
Director
DIN: 07124748

Place : Chennai
Date : April 25, 2017

Place: Chennai
Date: April 25, 2017

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**RECONCILIATION OF EQUITY AS AT 1ST APRIL 2015**

Particulars	Note	Indian GAAP*	Adjustments	Ind AS
		₹	₹	₹
ASSETS				
(1) Non-current assets				
a) Property, plant and equipment	1	5,167,083	–	5,167,083
b) Intangible assets	2	34,314,692,970	(18,619,945,993)	15,694,746,977
c) Intangible assets under development	3	417,801,866	–	417,801,866
d) Non Current Investment	4	1,354,000	–	1,354,000
e) Financial assets		–	–	–
i) Loans	5	–	–	–
f) Deferred tax assets (net)		–	–	–
g) Other non-current assets	6	10,760,986	–	10,760,986
	A	34,749,776,905	(18,619,945,993)	16,129,830,912
Current assets				
a) Inventories				
b) Financial assets				
i) Investments	7	17,000,000	28,863	17,028,863
ii) Trade receivables	8	–	–	–
iii) Cash and bank balances	9	11,689,944	–	11,689,944
iv) Loans	5	–	–	–
c) Current tax assets (net)	6	–	–	–
d) Other current assets	6	13,724,683	–	13,724,683
	B	42,414,627	28,863	42,443,490
TOTAL	A+B	34,792,191,532	(18,619,917,130)	16,172,274,402
EQUITY AND LIABILITIES				
EQUITY				
a) Equity share capital	10	805,400,000	–	805,400,000
b) Other equity	11	(35,921,626)	228,266,468	192,344,842
	C	769,478,374	228,266,468	997,744,842
LIABILITIES				
(1) Non-current liabilities				
a) Financial liabilities				
i) Borrowings	12	27,396,192,363	(18,848,183,598)	8,548,008,765
ii) Other financial liabilities	13	5,292,312,874	–	5,292,312,874
b) Provisions	14	1,483,049	–	1,483,049
c) Deferred tax liabilities (net)		–	–	–
d) Other non-current liabilities	15	–	–	–
	D	32,689,988,286	(18,848,183,598)	13,841,804,688
Current liabilities				
a) Financial liabilities				
i) Borrowings	12	688,812,441	–	688,812,441
ii) Trade payables	16	3,396,191	–	3,396,191
iii) Other financial liabilities	13	–	–	–
b) Other current liabilities	15	640,472,934	–	640,472,934
c) Provisions	14	43,306	–	43,306
d) Current tax liabilities (net)	17	–	–	–
	E	1,332,724,872	–	1,332,724,872
Total Equity and Liabilities	C+D+E	34,792,191,532	(18,619,917,130)	16,172,274,402

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

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**RECONCILIATION OF EQUITY AS AT 31ST MARCH 2016**

Particulars	Note	Indian GAAP*	Adjustments	Ind AS
		₹	₹	₹
ASSETS				
(1) Non-current assets				
a) Property, plant and equipment	1	4,784,537		4,784,537
b) Capital work-in-progress	2	–		–
c) Intangible assets	3	34,003,376,912	(18,451,941,337)	15,551,435,575
d) Intangible assets under development	4	817,507,421		817,507,421
e) Investment Property		1,354,000		1,354,000
f) Deferred tax assets (net)		–		–
g) Other non-current assets	6	7,716,117		7,716,117
	A	34,834,738,987	(18,451,941,337)	16,382,797,650
Current assets				
a) Inventories				
b) Financial assets				
i) Investments	7	–		–
ii) Trade receivables	8	–		–
iii) Cash and bank balances	9	18,165,333		18,165,333
iv) Loans	5	–		–
c) Current tax assets (net)	6	3,367,748		3,367,748
d) Other current assets	6	13,530,258		13,530,258
	B	35,063,339	–	35,063,339
TOTAL	A+B	34,869,802,326	(18,451,941,337)	16,417,860,989
EQUITY AND LIABILITIES				
EQUITY				
a) Equity share capital	10	1,260,300,000	(454,900,000)	805,400,000
b) Other equity	11	(622,276,256)	256,894,203	(365,382,053)
	C	638,023,744	(198,005,797)	440,017,947
LIABILITIES				
(1) Non-current liabilities				
a) Financial liabilities				
i) Borrowings	12	27,251,305,833	(18,206,335,539)	9,044,970,294
ii) Other financial liabilities	13	6,378,504,654		6,378,504,654
b) Provisions	14	144,441,613	(47,600,000)	96,841,613
c) Deferred tax liabilities (net)				–
d) Other non-current liabilities	15	–		–
	D	33,774,252,100	(18,253,935,539)	15,520,316,561
Current liabilities				
a) Financial liabilities				
i) Borrowings	12	281,800,004		281,800,004
ii) Trade payables	16	5,781,252		5,781,252
iii) Other financial liabilities	13	15,889,301		15,889,301
b) Other current liabilities	15	153,792,658		153,792,658
c) Provisions	14	263,266		263,266
d) Current tax liabilities (net)	17	–		–
	E	457,526,481	–	457,526,481
Total Equity and Liabilities	C+D+E	34,869,802,326	(18,451,941,337)	16,417,860,989

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

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**RECONCILIATION OF PROFIT AND LOSS AS AT 31ST MARCH, 2016**

Particulars	Note	Indian GAAP*	Adjustments	Ind AS
		₹	₹	₹
REVENUE				
Revenue from operations	18	1,106,791,075		1,106,791,075
Other income	19	4,302,292	(28,863)	4,273,429
Total income		1,111,093,367	(28,863)	1,111,064,504
EXPENSES				
Cost of materials consumed		-		
Operating expenses	20	219,619,909	(47,600,000)	172,019,909
Employee benefits expense	21	8,936,607		8,936,607
Finance costs	22	1,134,337,322	641,848,058	1,776,185,380
Depreciation, amortisation and obsolescence		313,308,698	(168,004,656)	145,304,042
Administration and other expenses	23	21,081,297		21,081,297
Total expenses		1,697,283,833	426,243,402	2,123,527,235
Profit/(loss) before exceptional items and tax		(586,190,466)	(426,272,265)	(1,012,462,731)
Exceptional items (EIP code 90004)		-		
Profit/(loss) before tax		(586,190,466)	(426,272,265)	(1,012,462,731)
Tax Expense:				
Current tax		-	-	-
		-	-	-
Profit/(loss) for the year		(586,190,466)	(426,272,265)	(1,012,462,731)
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		(586,190,466)	(426,272,265)	(1,012,462,731)
* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.				
Earnings per equity share (basic and diluted)	24	(7.44)		
Face value per equity share		10.00		

As per our report attached

For and on behalf of the Board

For **GIANENDER & ASSOCIATES**

Chartered Accountants

Firm's Regn. No. 004661N

MANJU AGRAWAL

Partner

Membership No. 083878

SRIDHAR RAMAKRISHNAN

Company Secretary

M. No. A8840

NANDHINI M.

Chief Financial Officer

T. S. VENKATESAN

Director

DIN: 01443165

ESTHER MALINI

Director

DIN: 07124748

Place : Chennai

Date : April 25, 2017

Place: Chennai

Date: April 25, 2017