BOARD'S REPORT

Dear Members,

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

FINANCIAL RESULTS / FINANCIAL HIGHLIGHTS (IND AS):

(₹ in crore)

Particulars	2016-17	2015-16
Profit / (Loss) before depreciation, exceptional and extra ordinary items & Tax	**(145.49)**	*(81.27)*
Less: Depreciation, amortization and obsolescence	**44.07**	*17.11*
Profit / (Loss) before tax	**(189.56)**	*(98.38)*
Less: Provision for tax	**–**	–
Profit / (Loss) for the period carried to the balance sheet	**(189.56)**	*(98.38)*
Add: Balance brought forward from previous year	**(367.09)**	*(268.71)*
Balance carried to Balance Sheet	**(556.65)**	*(367.09)*

STATE OF COMPANY AFFAIRS:

The gross revenue and other income for the financial year under review was ₹86.29 crore as against ₹86.50 crore of the previous financial year registering decrease by 0.24%. The loss for the year was ₹189.56 crore as against the loss of the previous year of ₹98.38 crore. Increase in loss is due to the provision of interest on mezzanine debt and provision under the Strategic Debt Restructuring Scheme.

The Government of Gujarat, on August 15, 2016 exempted small vehicles, like cars, jeep and vans along with Gujarat State Road Transport Corporation (GSRTC) buses from paying toll across the 27 toll plazas of the 12 state highways. Subsequently the Gujrat Government declared its decision to compensate for the losses incurred by the Concessionaires on this account.

The Company submitted reports to the Gujrat Government / GSRDC, reflecting the factual data as presented in the project Schedule M and clearly provided bifurcation of the forced exemptions and violations. These reports were transparent and have stood the test of GSRDC audits and the compensations were made to the Company without any deduction, from the day / time the exemption was enforced. In addition, the Company has also enabled a real-time data synchronization with GSRDC systems through Electronic Data Interchange (EDI) facility enabling verification of the vehicles passing through the plazas.

The Company had issued a termination notice to Gujrat State Road Development Corporation (GSRDC) on April 19, 2016 which was subsequently withdrawn at the advice of Gujrat State Government / GSRDC on September 8, 2016. The Joint Lenders' Forum formed by the Senior Lenders of the Company, at its meeting held on July 21, 2016 had decided to implement the Strategic Debt Restructuring Scheme (SDR Scheme) of RBI to resolve the financial / operating stress on the Company. The SDR Scheme was implemented on the following terms and conditions:

(a) Conversion of a portion of the senior debt outstanding amounting to ₹405,82,65,250/- (Rupees Four Hundred and Five Crore Eighty Two Lakh Sixty Five Thousand Two Hundred and Fifty Only) due to the Senior Lenders, into equity shares of the Company.

(b) Extension of the repayment schedule as applicable to balance outstanding debt, amounting to ₹597,26,07,701/- (Rupees Five Hundred and Ninety Seven Crore Twenty Six Lakh Seven Thousand Seven Hundred and One only) as per the Master Restructuring Agreement, on and with effect from July 21, 2016.

Accordingly, 40,58,26,525 numbers of equity shares of ₹10/- each were allotted to the following lenders in the manner set out below:

Name of the Bank	Number of equity shares allotted
Allahabad Bank	7,98,08,974
UCO Bank	7,58,13,760
Oriental Bank of Commerce	6,88,17,298
Syndicate Bank	5,94,92,481
Indian Bank	4,47,23,187
HDFC Bank	3,28,07,338
IndusInd Bank	4,43,63,487
Total	**40,58,26,525**

Further, 13,05,00,000 numbers of equity share of ₹10/- each were allotted to L&T Infrastructure Development Projects Limited (L&T IDPL), the Holding Company by converting mezzanine debt amounting to ₹130,50,00,000/-. Further, 50% of the 0.01% Convertible Preference shares (CPS) of ₹10/- held by the holding Company aggregating to 12,95,09,800 numbers was converted into 12,95,09,800 numbers of equity shares of ₹10/- each.

The equity holding of the promoters at the end of the financial year was reduced to 49.05% and the lenders aggregate equity holding was at 50.95% of the equity share capital.

Converted to equity shares	Number of Shares of ₹10/- each	Amount in ₹
Senior Debt (Senior Lender)	40,58,26,525	405,82,65,250
Mezzanine Debt (L&T IDPL)	13,05,00,000	130,50,00,000
0.01% Convertible Preference shares	12,95,09,800	129,50,98,000
Total	**66,58,36,325**	**665,83,63,250**

In total, the Company has allotted 66,58,36,325 numbers of equity shares of ₹10/- each on February 15, 2017 as set out above.

The Company at its Extraordinary General Meeting held on February 14, 2017 has altered the terms of issue of 12,95,09,800 numbers of 0.01% Optionally Convertible Cumulative Preference Shares of ₹10/- each into 0.01% Convertible Preference Shares of ₹10/- each at the option of the Company.

CAPITAL EXPENDITURE:

As at March 31, 2017 the gross fixed and intangible assets including leased Assets, stood at ₹1,272.69 crore and the net fixed and intangible assets, including leased assets, at ₹1,176.41 crore. Capital Expenditure during the year amounted to ₹0.08 crore.

DEPOSITS:

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

The Company did not have any requirement to transfer funds to Investor Education and Protection Fund.

SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES:

The Company does not have any Subsidiary/Associate/Joint Venture Companies.

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. 3 & 4 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. Further, the Company has not entered into any material contracts or arrangements during the year to disclose in Form AOC-2, 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 AND 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, and 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 ₹24,96,915/- for purchase of spare parts 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, provisions of Corporate Social Responsibility are not applicable to your Company.

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

Mr. Kathikeyan T.V., Director who had retired by rotation at the Annual General Meeting held on September 28, 2016 being eligible was re-appointed as Director.

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. Karthikeyan T.V.	Director	01367727
2	Dr. Esther Malini	Woman Director	07124748
3	Mr. Manoj Kumar Singh	Director	05228599
4	Dr. K.N.Satyanarayana	Independent Director	02460153
5	Mr. K.P.Raghavan	Independent Director	00250991

During the year Mr. Rajesh Tilokani had resigned as Manager with effect from January 16, 2017 and Mr. Dheeraj Khanna was appointed as Manager with effect from March 16, 2017.

The Key Managerial Personnel of the Company as on March 31, 2017 are as follows:

S. No.	Name	Designation	Date of Appointment
1	Mr. Dheeraj Khanna	Manager	March 16, 2017
2	Ms. Priyal Sarvaiya*	Chief Financial Officer (CFO)	February 24, 2015

* Ms. Priyal Sarvaiya has resigned as CFO with effect from April 18, 2017

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 11, 2016	5	4
July 15, 2016	5	3
October 19, 2016	5	4
January 16, 2017	5	4
February 13, 2017	5	4
March 16, 2017	5	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 pubic 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.Karthikeyan T.V.

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 11, 2016	3	3
July 15, 2016	3	3
October 19, 2016	3	2
January 16, 2017	3	3
March 16, 2017	3	2

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. Karthikeyan T.V.

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	2

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 Declaration(s) 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:

a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the Annual Accounts on a going concern basis; and;

e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS:

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

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

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 7th Annual General Meeting held on September 23, 2015 for the FY 2015-16 had appointed M/s. T.R.Chadha & Co., Chartered Accountants, (Firm Reg No: 06711N), Ahmedabad as Auditors of the Company to hold office from the conclusion of that Annual General Meeting until the conclusion of the 12th Annual General Meeting of the Company to be held during the year 2020.

The Board recommends the ratification of the appointment of M/s. T.R.Chadha & Co. as auditors of the company from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting.

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

SECRETARIAL AUDITOR:

M/s. B.Chitra & Co, a firm of Company Secretaries in practice were 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 Ms. B.Chitra (C.O.P. No. 2928), Proprietor of the firm is attached as Annexure III to this Report.

The Secretarial Auditors’ report to the shareholders contains the following qualification:

“The Company has not complied with the requirements of Section 203 for appointment of Whole-time Company Secretary during the period……….”

Management’s response: The Company has appointed Ms. Sipra Paul as Company Secretary with effect from April 26, 2017

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

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

For and on behalf of the Board

	KARTHIKEYAN T V	**ESTHER MALINI**
Place : Chennai	*Director*	*Director*
Date : April 26, 2017	*DIN: 01367727*	*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 arm's length transactions under third proviso thereto

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

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

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

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

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

Date(s) of approval by the Board, if any – April 26, 2017

For and on behalf of the Board

	KARTHIKEYAN T V	**ESTHER MALINI**
Place : Chennai	*Director*	*Director*
Date : April 26, 2017	*DIN: 01367727*	*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	U45203TN2008PLC069210
Registration Date	09/09/2008
Name of the Company	L&T Halol – Shamlaji 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 CIN / GLN of the Company	Holding/Subsidiary/ Associate	% of sharesheld	Applicable Section
1	L&T Infrastructure Development Projects Limited CIN:U65993TN2001PLC046691	Holding	49%	2(46)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	130499994	6*	130500000	100	390509794	6*	390509800	49%	67%
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other….									
Sub-total (A) (1):-	**130499994**	**6***	**130500000**	**100**	**390509794**	**6***	**390509800**	**49%**	**67%**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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)	**130499994**	**6***	**130500000**	**100**	**390509794**	**6***	**390509800**	**49%**	**–**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	–	–	–	–	405826525		405826525	51%	100%
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	**–**	**–**	**–**	**–**	**405826525**	**–**	**405826525**	**51%**	**100%**
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 Public Shareholding (B) = (B)(1)+ (B)(2)	**–**	**–**	**–**	**–**	**405826525**	**–**	**405826525**	**51%**	**100%**
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	**130499994**	**6***	**130500000**	**100**	**796336319**	**6***	**796336325**	**100**	**–**

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

(ii) Shareholding of Promoters

S. No	Shareholder's Name	No. of Shares held as on April 1, 2016			No. of Shares held as on March 31, 2017			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	L&T Infrastructure Development Projects Limited(with nominees)	130499900	100%	–	390509700	49%	100%	67%
2	Larsen & Toubro	100	0%	–	100	0%	–	–
	Total	**130500000**	**100%**	**–**	**390509800**	**49%**	**100%**	**–**

(iii) Change in Promoters' Shareholding:

S. No.	Particulars	No. of shares	% of total shares of the company	Cumulative Shareholding during the Year	
				No. of shares	% of total shares of the company
1.	As on April 1, 2016	130500000	100%	130500000	100%
2.	Allotment on February 15, 2017	260009800	33%	390509800	49%
3.	As on March 31, 2017	390509800	49%	390509800	49%

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

S. No.	For Each of the Top 10 Shareholders	No. of shares	% of total shares	Cumulative Shareholding during the year	
				No. of shares	% of total shares
1.	Allahabad Bank				
	As on April 1, 2016	–	–	–	–
	Allotment on February 15, 2017	79808974	10.02%	79808974	10.02%
	As on March 31, 2017	79808974	10.02%	79808974	10.02%
2.	UCO Bank				
	As on April 1, 2016	–	–	–	–
	Allotment on February 15, 2017	75813760	9.52%	75813760	9.52%
	As on March 31, 2017	75813760	9.52%	75813760	9.52%
3.	Oriental Bank of Commerce				
	As on April 1, 2016	–	–	–	–
	Allotment on February 15, 2017	68817298	8.64%	68817298	8.64%
	As on March 31, 2017	68817298	8.64%	68817298	8.64%
4.	Syndicate Bank				
	As on April 1, 2016	–	–	–	–
	Allotment on February 15, 2017	59492481	7.47%	59492481	7.47%
	As on March 31, 2017	59492481	7.47%	59492481	7.47%
5.	Indian Bank				
	As on April 1, 2016	–	–	–	–
	Allotment on February 15, 2017	44723187	5.62%	44723187	5.62%
	As on March 31, 2017	44723187	5.62%	44723187	5.62%

S. No.	For Each of the Top 10 Shareholders	No. of shares	% of total shares	Cumulative Shareholding during the year	
				No. of shares	% of total shares
6.	HDFC Bank				
	As on April 1, 2016	–	–	–	–
	Allotment on February 15, 2017	32807338	4.12%	32807338	4.12%
	As on March 31, 2017	32807338	4.12%	32807338	4.12%
7.	IndusInd Bank				
	As on April 1, 2016	–	–	–	–
	Allotment on February 15, 2017	44363487	5.57%	44363487	5.57%
	As on March 31, 2017	44363487	5.57%	44363487	5.57%

(v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

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	918,22,93,597	35,96,82,834	954,19,76,431
ii) Interest due but not paid	12,45,59,775	–	12,45,59,775
iii) Interest accrued but not due	–	–	–
Total (i+ii+iii)	**930,68,53,372**	**35,96,82,834**	**966,65,36,206**
Changes during the financial year			
Addition	–	–	–
Reduction	342,18,91,577	35,96,82,834	378,15,74,411
Net Change	**(342,18,91,577)**	**(35,96,82,834)**	**(378,15,74,411)**
As on March 31, 2017			
i) Principal Amount	583,97,96,889	–	583,97,96,889
ii) Interest due but not paid	4,51,64,906	–	4,51,64,906
iii) Interest accrued but not due	–	–	–
Total (i+ii+iii)	**588,49,61,795**	**–**	**588,49,61,795**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Manager: Mr. Dheeraj Khanna	
1.	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,25,000	**15,25,000**
	(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)	**15,25,000**	**15,25,000**
	Ceiling as per the Act	**1,28,13,050**	**1,28,13,050**

B. Remuneration to other Directors:

(Amount in ₹)

S. No	Particulars of Remuneration	Name of the Directors		Total Amount
1	Independent Directors	**Dr. K.N. Satyanarayana**	**Mr. K.P. Raghavan**	
	Fee for attending Board Meeting / 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. Karthikeyan T. V.			
	2) Dr. Esther Malini			
	3) Mr. Manoj Kumar Singh			
	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. Priyal Sarvaiya, CFO was employed by the Holding Company, however she has resigned as CFO with effect from April 18, 2017.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

	KARTHIKEYAN T V	**ESTHER MALINI**
Place : Chennai	*Director*	*Director*
Date : April 26, 2017	*DIN: 01367727*	*DIN: 07124748*

ANNEXURE III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2017.

[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 Halol - Shamlaji Tollway Limited
P B NO.979, Mount Poonamalle Road, Manapakkam,
Chennai - 600089

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by L&T Halol - Shamlaji Tollway Limited (hereinafter called the “Company”).

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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 the secretarial audit, We hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017, generally complied with the 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) *The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;

(iii) *The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) *Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-

  (a) *The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) *The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

  (c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) *The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

  (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) *The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

  (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) The other laws applicable specifically to the company: NIL

We 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 we 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

We have also examined compliance with the applicable clauses of the following:

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

(ii) * Listing Obligations and Disclosure Regulations of Securities Exchange Board of India.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

1. The Company has not complied with the requirements of Section 203 for appointment of Whole-time Company Secretary during the period.

Note:

**** Denotes “NOT APPLICABLE”.***

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Directors, Women Director and Independent Directors. 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 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.

We 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.

We further report that during the audit period the company had the following major transactions/ events:

1. The Authorised Share Capital of the Company was increased from ₹431 Crores to ₹ 1100 Crores and Memorandum of Association was altered to give effect to increase in Authorised Capital with the approval of Members at their Meeting held on 14.02.2017.
2. Pursuant to discussions held between the lenders (i.e. Banks) and the Company, the lenders have agreed to a corrective action plan, which envisages restructuring of the existing loans provided by the lenders to the Company, in terms of the extant regulations of the Reserve Bank of India, dealing with 'strategic debt restructuring (SDR Scheme)' and 'flexible restructuring of project loans'. The Company has issued and allotted equity shares as detailed below, with the approval of Members at their Meeting held on 14.02.2017 and Preference Share holders at their Meeting held on 14.02.2017.
   a. Conversion of 129509800 Convertible Preference Shares into equity shares at par. To facilitate the conversion, the existing 259019600 preference shares held by L&T Infrastructure Development Projects Limited were split into Part A and Part B preference shares of 129509800 preference shares each.
   b. Conversion of Debt of the holding Company L&T Infrastructure Development Projects Limited of ₹1305000000/- into equity shares of ₹ 10/- each at par.
   c. Conversion of Debt of the Lenders (Banks) of ₹ 405,82,65,250/- into equity shares of ₹ 10/- each at par.
   d. The resolutions in the notice issued for the Extraordinary General Meeting of Members held on 14.02.2017 were modified by the members and approved.
   e. The Company filed Forms with Registrar of Companies to depict these changes in Share Capital & allotments during March 2017 and filed revised forms in April 2017 to complete the process.

This report has to be read along with our statement furnished in Annexure A

Place: Chennai **For Chitra &Co**
Date: April 21, 2017

B. CHITRA
FCS No.:4509
C P No.:2928

Annexure 'A'

To,
The Members,
L&T Halol - Shamlaji Tollway Limited
P B NO.979, Mount Poonamalle Road, Manapakkam,
Chennai - 600089

Dear Sir(s),

Sub.: Secretarial Audit Report for the Financial Year ended 31.03.2017

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai **For Chitra &Co**
Date: April 21, 2017

B. CHITRA
FCS No.:4509
C P No.:2928

INDEPENDENT AUDITOR'S REPORT

To
The Members of L&T Halol Shamlaji Tollway Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **L&T Halol Shamlaji Tollway Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement 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 state of affairs (financial position), profit or loss (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) specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

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 thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on 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 state of affairs (financial position) of the Company as at 31st March, 2017, and its loss (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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 & 4 of the Order to the extent applicable.
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 Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

I. The Company does not have any pending litigations which would impact its Ind AS financial position.

II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

III. There were no amounts which were required to be transferred to the investor's education and protection fund by the company.

IV. These financial statements has provided requisite disclosure in the Ind AS Financial Statements as to holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December, 2016. Based on the audit procedures and relying on the management representation we report that disclosures are in accordance with books of accounts maintained by the Company and as produced to us by the Management. Refer Note G(10) to the Ind AS Financial Statements.

For T R CHADHA & CO LLP
Firm's Reg. No-: 006711N/N500028
Chartered Accountants

Arvind Modi
Partner
Membership No-112929

Place: Ahmedabad
Date: April 26, 2017

ANNEXURE A

L&T Halol Shamlaji Tollway Limited

Annexure to Independent Auditors' Report for the period ended March 2017

(Referred to in Paragraph 1 under the Heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)

(i) Fixed Assets

a) The Company has maintained proper records showing full particulars including quantitative details and situtation of fixed assets.

b) The fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size & nature of the company. No material discrepancies were noted on such verification.

c) According to the information and explanations given to us, there are no immovable assets held by the company, hence clause C of paragraph 3 (i) of the order is not applicable to the Company.

(ii) Inventories

The Company is engaged in the business of Infrastructure development and its maintenance and there is no inventory inhand at any point of time, hence paragraph 3 (ii) of the order is not applicable to the Company.

(iii) Loans given

The Company has not granted any Secured or unsecured loan to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence reporting under clause 3 (iii) (a), (b) and (c) does not arise.

(iv) Compliance of Sec. 185 & 186

The Company has not entered into any transaction in resect of loans, investments, guarantee and security which attracts compliance to provisions of section 185 & 186 of the Companies Act, 2013, therefore, paragraph 3 (iv) of the order is not applicable to the company.

(v) Public Deposit

During the year, the company has not accepted any deposits from the public, therefore, paragraph 3 (v) of the order is not applicable.

(vi) Cost Records

In our opinion and according to information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under Section 148(1) of the Companies Act, for the services provided by the company therefore, paragraph 3 (vi) of the order is not applicable to the company.

(vii) Statutory Dues

a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has generally been regular in depositing its undisputed statutory dues including Provident Fund, Employees State Insurance, income-tax, Sales Tax, Service tax, Value Added Tax and cess etc. except in some cases in deposition of TDS & Service Tax liability during the year. There are no undisputed dues payable, outstanding as on 31st March, 2017 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no amounts in respect of income tax, service tax etc. that have not been deposited with the appropriate authorities on account of any dispute.

(viii) During the year company has defaulted in repayment of loans or borrowings to a financial institutions & banks. Lender wise details are as under:

(Amount ₹ in Lacs)

Name of Lender	Interest	Principal	Total Amt	Period to which it relates
Allahabad Bank	456.80	225.00	681.80	1st Apr'16 to 30th Jun'16
UCO Bank	432.66	212.50	645.16	
Oriental Bank of Commerce	397.98	193.75	591.73	
Syndicate Bank	339.48	175.00	514.48	
Indian Bank	255.78	125.00	380.78	
HDFC Bank	188.93	92.50	281.43	
Indusind Bank	259.05	125.00	384.05	
Indian Infrastructure Finance Company Limited (IIFCL)	296.01	156.25	452.26	
Total	**2,626.69**	**1,305.00**	**3,931.69**	

However, it was cleared subsequently and there was no such default at Balance Sheet date.

(ix) The Company has not raised money by way of initial public offer or further public offer (including debt instrument) any term loans during the period under audit therefore, paragraph 3 (ix) of the order is not applicable to the company.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.

(xi) According to information & explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.

(xii) As explained, the company is not a Nidhi Company. Therefore paragraph 3 (xii) of the order is not applicable to the company.

(xiii) As per the information and explanations given by the management, all the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) As per the information and explanations given by the management, company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore paragraph 3 (xiv) of the order is not applicable to the company.

(xv) As per the information and explanations given by the management, the company has not entered into any non-cash transaction with directors or persons connected with him. Therefore paragraph 3 (xv) of the order is not applicable to the company.

(xvi) As per the information and explanations given by the management, company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore paragraph 3 (xvi) of the order is not applicable to the company.

For T R CHADHA & CO LLP
Firm's Reg. No-: 006711N/N500028
Chartered Accountants

Arvind Modi
Partner
Membership No-112929

Place: Ahmedabad
Date: April 26, 2017

ANNEXURE B

THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF L & T HALOL SHAMLAJI TOLLWAY LIMITED

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 Halol Shamlaji Tollway Limited ("the Company") as of 31 March, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31 March, 2017, based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For T R CHADHA & CO LLP
Firm's Reg. No-: 006711N/N500028
Chartered Accountants

Arvind Modi
Partner
Membership No-112929

Place: Ahmedabad
Date: April 26, 2017

BALANCE SHEET AS AT MARCH 31, 2017

	Note No.	As at 31.03.2017 ₹	As at 31.03.2016 ₹	As at 31.03.2015 ₹
ASSETS				
(1) Non-current assets				
a) Property, Plant and Equipment	1	**91,599,290**	*133,390,849*	*178,194,481*
b) Intangible assets	2	**11,672,523,858**	*12,138,884,179*	*12,264,953,088*
d) Financial Assets				
i) Loans	3	**1,759,556**	*1,787,206*	*1,787,206*
f) Other non-current assets	4	**139,347**	–	–
	A	**11,766,022,051**	*12,274,062,234*	*12,444,934,775*
Current assets				
a) Financial Assets				
i) Trade receivables	5	**15,544,964**	–	–
ii) Cash and cash equivalent	6	**34,197,975**	*8,252,424*	*11,336,101*
iii) Bank balances other than (ii)	7	**152,040**	*142,694*	*131,917*
b) Current Tax Assets (net)	4	**1,118,415**	*663,402*	*974,656*
c) Other current assets	4	**1,363,315**	*5,632,961*	*8,776,098*
	B	**52,376,709**	*14,691,481*	*21,218,772*
Total Assets	A+B	**11,818,398,760**	*12,288,753,715*	*12,466,153,547*
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share capital	8	**7,963,363,250**	*1,305,000,000*	*1,305,000,000*
b) Other Equity	9	**(3,172,658,054)**	*18,068,908*	*(1,588,312,257)*
	C	**4,790,705,196**	*1,323,068,908*	*(283,312,257)*
LIABILITIES				
(1) Non-current liabilities				
a) Financial liabilities				
i) Borrowings	10	**5,839,796,889**	*9,541,976,431*	*11,546,564,092*
ii) Other financial liabilities	11	**–**	–	*72,250,125*
b) Provisions	12	**563,476,715**	*322,125,930*	*176,806,454*
	D	**6,403,273,604**	*9,864,102,361*	*11,795,620,671*
Current liabilities				
a) Financial Liabilities				
i) Trade payables	14	**19,683,222**	*8,009,361*	*8,646,960*
ii) Other financial liabilities	11	**502,290,033**	*914,968,958*	*757,665,995*
b) Other current liabilities	13	**101,974,271**	*178,345,663*	*187,459,978*
c) Provisions	12	**472,434**	*258,464*	*72,200*
	E	**624,419,960**	*1,101,582,446*	*953,845,133*
Total Equity and Liabilities	C+D+E	**11,818,398,760**	*12,288,753,715*	*12,466,153,547*
Contingent liabilities and Commitments	F			
Other notes forming part of accounts	G			
Significant accounting policies	H			

As per our report attached
T R CHADHA & CO LLP
Chartered Accountants
Firm's Registration No. 006711N / N500028
By the hand of

ARVIND MODI
Partner
Membership No. 112929

Place : Ahmedabad
Date: April 26, 2017

For and on behalf of the board of

VJM REDDY
Chief Finance Officer

SIPRA PAUL
Company Secretary
M. No. A29128

KARTHIKEYAN T V
Director
DIN: 01367727

ESTHER MALINI
Director
DIN: 07124748

Place : Chennai
Date : April 26, 2017

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

	Note No.	2016-17 ₹	2016-17 ₹	2015-16 ₹	2015-16 ₹
Revenue from Operations	15		740,096,877		748,038,716
Other income	16		225,689		3,060,011
Total Income			740,322,566		751,098,727
EXPENSES					
Operating Expenses	17		332,266,281		242,360,018
Employee Benefit Expenses	18		20,137,543		22,557,187
Finance Costs	19		1,825,248,300		1,259,302,061
Depreciation and Amortisation Expenses	1 & 2		440,737,946		171,098,297
Other Expenses	20		17,523,792		39,781,906
Total Expenses			2,635,913,862		1,735,099,469
Profit/(loss) before tax			(1,895,591,296)		(984,000,742)
Tax Expense:					
Current tax		–		–	
Deferred tax		–		–	
			–		–
Profit/(loss) after tax for the year			(1,895,591,296)		(984,000,742)
Profit for the year			(1,895,591,296)		(984,000,742)
Other Comprehensive Income					
i) Reclassifiable to profit or loss in subsequent periods					
ii) Not reclassifiable to profit or loss in subsequent periods					
- Remeasurements of the defined benefit obligation (Refer Note G(3)(‘e)			37,666		(185,907)
- Income Tax on Remeasurements of the defined benefit obligation			–		–
Total Comprehensive Income for the year			(1,895,591,296)		(984,000,742)
Earnings per equity share (Basic and Diluted)	G 7		(2.53)		(3.55)
Face value per equity share			10.00		10.00

As per our report attached
T R CHADHA & CO LLP
Chartered Accountants
Firm’s Registration No. 006711N / N500028
By the hand of

ARVIND MODI
Partner
Membership No. 112929

Place : Ahmedabad
Date: April 26, 2017

For and on behalf of the board of

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Chief Finance Officer

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Company Secretary
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KARTHIKEYAN T V
Director
DIN: 01367727

ESTHER MALINI
Director
DIN: 07124748

Place : Chennai
Date : April 26, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

		2016-17 ₹	2015-16 ₹
A.	**Net profit / (loss) before tax and extraordinary items**	**(1,895,628,962)**	*(983,814,835)*
	Adjustment for		
	Depreciation and amortisation expense	**440,737,946**	*171,098,297*
	Interest expense	**1,825,248,300**	*1,259,302,061*
	Interest income	**(183,827)**	*(9,522)*
	(Profit)/loss on sale of current investments(net)	**–**	*(2,969,554)*
	(Profit)/loss on sale of fixed assets	**124,665**	–
	Operating profit before working capital changes	**370,298,122**	*443,606,447*
	Adjustments for:		
	Increase / (Decrease) in long term provisions	**197,859,017**	*121,545,107*
	Increase / (Decrease) in trade payables	**11,673,861**	*(637,599)*
	Increase / (Decrease) in other current liabilitites	**(76,371,392)**	*(9,114,315)*
	Increase / (Decrease) in other current financial liabilitites	**(352,961,745)**	*73,085,945*
	Increase / (Decrease) in short term provisions	**213,970**	*186,264*
	(Increase) / Decrease in loan term loans and advances	**27,650**	–
	(Increase) / Decrease in Trade Receivables	**(15,544,964)**	–
	(Increase) / Decrease in other current assets	**4,120,953**	*3,143,137*
	Net cash generated from/(used in) operating activities	**139,315,472**	*631,814,986*
	Direct taxes paid (net of refunds)	**(455,013)**	*311,254*
	Net Cash(used in)/generated from Operating Activities	**138,860,459**	*632,126,240*
B	**Cash flow from investing activities**		
	Purchase of fixed assets	**(815,200)**	*(466,975)*
	Sale of fixed assets	**68,104,464**	*241,219*
	(Purchase)/Sale of current investments	**–**	*2,969,554*
	Interest received	**183,827**	*9,522*
	Net cash (used in)/generated from investing activities	**67,473,091**	*2,753,320*
C	**Cash flow from financing activities**		
	Proceeds from issue of capital	**5,363,265,250**	*2,590,196,000*
	Repayment of long term borrowings	**(4,661,695,083)**	*(2,008,971,288)*
	Interest paid	**(881,958,166)**	*(1,219,177,172)*
	Net cash (used in)/generated from financing activities	**(180,387,999)**	*(637,952,460)*
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**25,945,551**	*(3,072,900)*
	Cash and cash equivalents as at the beginning of the year	**8,252,424**	*11,325,324*
	Cash and cash equivalents as at the end of the year	**34,197,975**	*8,252,424*

Notes:

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

As per our report attached
T R CHADHA & CO LLP
Chartered Accountants
Firm's Registration No. 006711N / N500028
By the hand of

ARVIND MODI
Partner
Membership No. 112929

Place : Ahmedabad
Date: April 26, 2017

For and on behalf of the board of

VJM REDDY
Chief Finance Officer

SIPRA PAUL
Company Secretary
M. No. A29128

KARTHIKEYAN T V
Director
DIN: 01367727

ESTHER MALINI
Director
DIN: 07124748

Place : Chennai
Date : April 26, 2017

NOTES FORMING PART OF ACCOUNTS

1 PROPERTY, PLANT AND EQUIPMENT

Particulars	Plant and Equipment	Furniture and fixtures	Vehicles	Office equipment	Computers, laptops and printers	Total
Gross Carrying Value as of April 01, 16	**158,741,675**	**10,089,692**	**8,417,095**	**1,029,230**	**295,363**	**178,573,055**
Additions	–	–	–	–	815,200	815,200
Deletions	19,815	126,030	556,986	10,305	70,162	783,298
Gross carrying value as of March 31,2017	**158,721,860**	**9,963,662**	**7,860,109**	**1,018,925**	**1,040,401**	**178,604,957**
Accumulated Depreciation as of April 01,16	**(40,658,956)**	**(1,353,698)**	**(2,335,272)**	**(746,346)**	**(87,934)**	**(45,182,206)**
Depreciation	(37,964,589)	(1,367,588)	(2,077,055)	(193,616)	(220,613)	(41,823,461)
Accumated Depreciation on deletions	–	–	–	–	–	–
Accumated Depreciation as on March 31,2017	**(78,623,545)**	**(2,721,286)**	**(4,412,327)**	**(939,962)**	**(308,547)**	**(87,005,667)**
Carrying Value as of March 31, 2017	80,098,315	7,242,376	3,447,782	78,963	731,854	91,599,290

2 INTANGIBLE ASSETS

Particulars	Toll collection rights
Gross Carrying Value as of April 01, 16	**12,620,772,046**
Additions	–
Deletions	72,506,019
Gross carrying value as of March 31,2017	**12,548,266,027**
Accumulated Depreciation as of April 01,16	**(481,887,867)**
Depreciation	(398,914,489)
Accumated Depreciation on deletions	5,060,187
Accumated Depreciation as on March 31,2017	**(875,742,169)**
Carrying Value as of March 31, 2017	**11,672,523,858**

At the time of capitalization of Toll Collection Rights, company has made provision for balance implementation work as part of the project. Provision outstanding as on 1st April 2016 is of ₹ 13,77,75,419/-. During the year said matter has been escalated and net liability of ₹ 7,03,29,588/- has been demanded by GSRDC for payment vide its letter dated 7th Feb 2017. Hence balance excess provision of ₹ 7,25,06,018/- has been decapitalized from toll collection rights and corresponding accumulated amortization charged till date for ₹ 50,60,187/-.

In the terms of Para 3 (ii)(a) of Part A of Schedule II to The Companies Act 2013, Amortisation on Intangible assets has been calculated on the basis of actual + projected revenue considered by Senior lenders in revival package submitted to GSRDC vide Allahabad Bank Letter No IFBC/ADV/LNTHSTL/2016-17 dated 8th Nov 2016.

NOTES FORMING PART OF ACCOUNTS (Contd.)

1 PROPERTY, PLANT AND EQUIPMENT

Particulars	Plant and Equipment	Furniture and fixtures	Vehicles	Office equipment	Computers, laptops and printers	Total
Gross Carrying Value as of April 01, 2015	**158,741,675**	**10,091,841**	**8,417,095**	**915,158**	**28,712**	**178,194,481**
Additions	–	86,251	–	114,072	266,652	466,975
Deletions	–	27,287	–	–	1	27,288
Gross carrying value as of March 31,2016	**158,741,675**	**10,150,805**	**8,417,095**	**1,029,230**	**295,363**	**178,634,168**
Accumulated Depreciation as of April 01,15	–	–	–	–	–	–
Depreciation	(40,658,956)	(1,414,811)	(2,335,272)	(746,346)	(87,934)	(45,243,319)
Accumated Depreciation on deletions	–	–	–	–	–	–
Accumated Depreciation as on March 31,2016	**(40,658,956)**	**(1,414,811)**	**(2,335,272)**	**(746,346)**	**(87,934)**	**(45,243,319)**
Carrying Value as of March 31, 2016	**118,082,719**	**8,735,994**	**6,081,823**	**282,884**	**207,429**	**133,390,849**

2 INTANGIBLE ASSETS

Particulars	Toll collection rights
Gross Carrying Value as of April 01, 15	**12,620,994,063**
Additions	–
Deletions	222,017
Gross carrying value as of March 31,2016	**12,620,772,046**
Accumulated Depreciation as of April 01,15	**(356,040,975)**
Depreciation	(126,284,793)
Accumated Depreciation on deletions	8,086
Accumated Depreciation as on March 31,2016	**(482,317,682)**
Carrying Value as of March 31, 2017	**12,138,454,364**

	March 31, 2017			*March 31, 2016*			*April 01, 2015*		
	Current	**Non-current**	**Total**	*Current*	*Non-current*	*Total*	*Current*	*Non-current*	*Total*
	₹	₹	₹	₹	₹	₹	₹	₹	₹
3 LOANS									
a) Security deposits									
Unsecured, considered good	**–**	**1,759,556**	**1,759,556**	*–*	*1,787,206*	*1,787,206*	*–*	*1,787,206*	*1,787,206*
	–	**1,759,556**	**1,759,556**	*–*	*1,787,206*	*1,787,206*	*–*	*1,787,206*	*1,787,206*

NOTES FORMING PART OF ACCOUNTS (Contd.)

	March 31, 2017			March 31, 2016			April 01, 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
4 OTHER NON-CURRENT AND CURRENT ASSETS									
Advances other than capital advances									
Advances to related parties	–	–	–	129,720	–	129,720	125,470	–	125,470
Advances to employees	34,505	–	34,505	63,813	–	63,813	41,194	–	41,194
Other advances	30,068	–	30,068	1,589,859	–	1,589,859	4,097,000	–	4,097,000
Advance recoverable other than in cash									
Prepaid Insurance	1,298,742	–	1,298,742	3,849,569	–	3,849,569	3,877,634	–	3,877,634
Prepaid expenses	–	–	–	–	–	–	634,800	–	634,800
VAT recoverable	–	139,347	139,347	–	–	–	–	–	–
	1,363,315	139,347	1,502,662	5,632,961	–	5,632,961	8,776,098	–	8,776,098
Income tax									
Income tax net of provisions	1,118,415	–	1,118,415	663,402	–	663,402	974,656	–	974,656
	1,118,415	–	1,118,415	663,402	–	663,402	974,656	–	974,656

Particulars	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
		Current		Current		Current
	₹	₹	₹	₹	₹	₹
5 TRADE RECEIVABLES						
Unsecured, considered good						
Others		15,544,964				
		15,544,964		–		–
Less: Allowance for credit losses		–		–		–
		15,544,964		–		–

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
6 CASH AND CASH EQUIVALENTS			
a) Balances with banks	29,607,255	3,278,434	6,639,466
b) Cash on hand	4,590,720	4,973,990	4,696,635
	34,197,975	8,252,424	11,336,101
7 OTHER BANK BALANCE			
a) Fixed deposits with banks including interest accrued thereon	152,040	142,694	131,917
b) Others			
Less : Bank overdraft			
	152,040	142,694	131,917

Short term deposits are made for varying periods between one day and 12 months, depending on the immediate cash requirement and earn interest at fixed the respective short term deposit rates.

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars	As at March 31, 2017 No. of shares	As at March 31, 2017 ₹	As at March 31, 2016 No. of shares	As at March 31, 2016 ₹	As at April 1, 2015 No. of shares	As at April 1, 2015 ₹
8 SHARE CAPITAL						
(i) Authorised, issued, subscribed and paid up						
Authorised:						
Equity shares of ₹ 10 each	**800,000,000**	**8,000,000,000**	131,000,000	1,310,000,000	131,000,000	1,310,000,000
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each	**796,336,325**	**7,963,363,250**	130,500,000	1,305,000,000	130,500,000	1,305,000,000
	796,336,325	**7,963,363,250**	130,500,000	1,305,000,000	130,500,000	1,305,000,000
(ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:						
At the beginning of the year	**130,500,000**	**1,305,000,000**	130,500,000	1,305,000,000	130,500,000	1,305,000,000
Issued during the year as fully paid	**–**	**–**	–	–	–	–
Lender - Converted from Loan	**405,826,525**	**4,058,265,250**	–	–	–	–
Promoter - Converted from Mez Debt	**130,500,000**	**1,305,000,000**	–	–	–	–
Promoter - Converted from OCCPS	**129,509,800**	**1,295,098,000**	–	–	–	–
At the end of the year	**796,336,325**	**7,963,363,250**	130,500,000	1,305,000,000	130,500,000	1,305,000,000
(iii) Equity component of other financial instruments (0.01% Optionally Convertible Cumulative Preference Shares)						
At the beginning of the year	**259,019,600**	**2,590,196,000**	–	–	–	–
Issued during the year as fully paid	**(259,019,600)**	**(2,590,196,000)**	259,019,600	2,590,196,000	–	–
Others	**–**	**–**	–	–	–	–
At the end of the year	**–**	**–**	259,019,600	2,590,196,000	–	–
(iv) Equity component of other financial instruments (0.01% Compulsory Convertible Cumulative Preference Shares)						
At the beginning of the year	**–**	**–**	–	–	–	–
Issued during the year as fully paid	**129,509,800**	**1,295,098,000**	–	–	–	–
Others	**–**	**–**	–	–	–	–
At the end of the year	**129,509,800**	**1,295,098,000**	–	–	–	–

The Company entered into a Master Restructuring Agreement with Senior Lenders on 14th Feb 2017. As per MRA, company was required to convert 0.01% Optionally Convertible Preference Shares of ₹ 1,28,51,96,000/-into Equity Shares. However, the actual conversion made by company is of ₹ 1,29,50,98,000/- i.e. more by ₹ 99,02,000/-

During the year company has restructured its loan and outstanding interest till 31st July 2016 as per Master restructure agreement dated 14th February 2017 based on SDR scheme. By this company has converted ₹ 405,82,65,250/- from senior debt, ₹ 130,50,00,000/- from Mezzanine debt of promoters and ₹ 129,50,98,000/- from Optionally Convertible Cumulative Reedemable Preference shares into equity share capital.

(iii) Terms / rights attached to shares

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

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

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

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

Optionally convertible cumulative redeemable 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 carry non-participating rights in the surplus funds.

Preference share holders would be paid dividend on a cumulative basis

NOTES FORMING PART OF ACCOUNTS (Contd.)

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.

Compulsory convertible cumulative Preference Shares of ₹ 10 each

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.

49.04% Equity Shares and 100% of 0.01% Compulsory Cumulative Convertible Preference Shares of the Company held by L & T Infrastructure Development Projects Limited are Pledged with Term Lenders.

Particulars	**As at March 31, 2017**		*As at March 31, 2016*		*As at March 31, 2015*	
	No. of shares	₹	*No. of shares*	₹	*No. of shares*	₹
(v) Details of Shares held by Holding Company/Ultimate Holding Company/its subsidiaries or associates:						
L&T Infrastructure Development Projects Limited	–	–	*130,499,894*	*1,304,998,940*	*130,499,894*	*1,304,998,940*
Larsen and Toubro Limited (ultimate holding company)	–	–	*100*	*1,000*	*100*	*1,000*
	–	–	*130,499,994*	*1,304,999,940*	*130,499,994*	*1,304,999,940*
Preference Share						
L&T Infrastructure Development Projects Limited (OCCPS)	–	–	*259,019,600*	*2,590,196,000*	–	–
L&T Infrastructure Development Projects Limited (CCPS)	**129,509,800**	**1,295,098,000**	–	–	–	–
	129,509,800	**1,295,098,000**	*259,019,600*	*2,590,196,000*	–	–
(vi) Details of Shareholders holding more than 5% shares in the company:						
L&T Infrastructure Development Projects Limited	**390,509,794**	**49.04%**	*130,499,894*	*99.99%*	*130,499,894*	*99.99%*
Allahabad Bank	**79,808,974**	**10.02%**	–	–	–	–
UCO Bank	**75,813,760**	**9.52%**	–	–	–	–
Oriental Bank of Commerce	**68,817,298**	**8.64%**	–	–	–	–
Syndicate Bank	**59,492,481**	**7.47%**	–	–	–	–
Indian Bank	**44,723,187**	**5.62%**	–	–	–	–
IndusInd Bank	**44,363,487**	**5.57%**	–	–	–	–
Preference Share						
L&T Infrastructure Development Projects Limited (OCCPS)	–	**0.00%**	*259,019,600*	*100.00%*	–	–
L&T Infrastructure Development Projects Limited (CCPS)	**129,509,800**	**100.00%**	–	–	–	–

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

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

9 OTHER EQUITY AS ON 31.03.2017

Particulars	Equity Share Capital	Other Equity					Total ₹
		Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus			
				Capital reserve	Securities premium reserve	Retained earnings	
Balance at the beginning of the reporting period	1,305,000,000	–	3,688,932,526	–	–	(3,670,863,618)	1,323,068,908
Changes in accounting policy							–
Restated balance as at the beginning of the reporting period							–
Transfer to retained earnings							–
Profit for the year			–	–	–	(1,895,628,962)	(1,895,628,962)
Other comprehensive income			–	–	–	–	–
Issue of share capital	6,658,363,250		(1,295,098,000)		–		5,363,265,250
Balance at the end of the reporting period	**7,963,363,250**	**–**	**2,393,834,526**	**–**	**–**	**(5,566,492,580)**	**4,790,705,196**

Other Equity as on 31.03.2016

Particulars	Equity Share Capital	Other Equity					Total ₹
		Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus			
				Capital reserve	Securities premium reserve	Retained earnings	
Balance at the beginning of the reporting period	1,305,000,000	–	1,098,736,526	–	–	(2,687,048,783)	(283,312,257)
Changes in accounting policy							–
Restated balance as at the beginning of the reporting period							–
Transfer to retained earnings			2,590,196,000				2,590,196,000
Profit for the year			–	–	–	(983,814,835)	(983,814,835)
Other comprehensive income			–	–	–	–	–
Balance at the end of the reporting period	**1,305,000,000**	**–**	**3,688,932,526**	**–**	**–**	**(3,670,863,618)**	**1,323,068,908**

	March 31, 2017			*March 31, 2016*			*April 01, 2015*		
	Current	**Non-current**	**Total**	*Current*	*Non-current*	*Total*	*Current*	*Non-current*	*Total*
	₹	₹	₹	₹	₹	₹	₹	₹	₹
10 BORROWINGS									
Secured borrowings									
a) Term loans									
i) From banks	**–**	**4,709,954,889**	**4,709,954,889**	*–*	*8,123,493,595*	*8,123,493,595*	*–*	*8,578,609,960*	*8,578,609,960*
ii) From others	**–**	**1,129,842,000**	**1,129,842,000**	*–*	*1,058,800,002*	*1,058,800,002*	*–*	*1,121,300,004*	*1,121,300,004*
Unsecured borrowings									
a) Loans from related parties	**–**	**–**	**–**	*–*	*359,682,834*	*359,682,834*	*–*	*1,846,654,128*	*1,846,654,128*
	–	**5,839,796,889**	**5,839,796,889**	*–*	*9,541,976,431*	*9,541,976,431*	*–*	*11,546,564,092*	*11,546,564,092*

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars	Rate of Interest	Terms of Repayment
	As at March 31, 2017	
Secured Term Loans *	Base rate of Allahabad Bank + Applicable spread	Repayable in 108 monthly instalments from April 2017 to March 2026 at specified amounts in Master Restructuring Agreement.

* Entire loan has been restructure as per SDR scheme. For details please refer note no O(13)

Nature of security for term loans/debentures

Above Term Loans are secured by pari passu first charge on all the immovable properties both present and future of the Company and hypothecation of tangible movable properties present & future including book debt, cash & bank balance, stock-in-trade, intangible assets, uncalled share capital, etc. except project assets as defined in the concession agreement.

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

Particulars	As at March 31, 2017	As at March 31, 2016
(i) Long term borrowings	5,839,796,889	9,541,976,431
(ii) Current maturities of long term borrowings	119,449,080	574,199,994
	5,959,245,969	**10,116,176,425**

	March 31, 2017			*March 31, 2016*			*April 01, 2015*		
	Current	Non-current	Total	*Current*	*Non-current*	*Total*	*Current*	*Non-current*	*Total*
	₹	₹	₹	₹	₹	₹	₹	₹	₹
11 OTHER FINANCIAL LIABILITIES									
a) Current maturity of long term loan	119,449,080	–	119,449,080	*574,199,994*	–	*574,199,994*	*613,200,000*	–	*613,200,000*
b) Interest accrued	80,945,503	–	80,945,503	*140,662,683*	–	*140,662,683*	*56,445,665*	*72,250,125*	*128,695,790*
c) Other liabilities									
i) Revenue share payable	301,895,450	–	301,895,450	*200,106,281*	–	*200,106,281*	*88,020,330*	–	*88,020,330*
	502,290,033	–	502,290,033	*914,968,958*	–	*914,968,958*	*757,665,995*	*72,250,125*	*829,916,120*
12 PROVISIONS									
Provision for employee benefits (Refer Note G(3))	472,434	1,227,488	1,699,922	*258,464*	*2,568,471*	*2,826,935*	*72,200*	*2,123,364*	*2,195,564*
Provisions for major maintenance reserve (Refer Note G(9))	–	562,249,227	562,249,227	–	*319,557,459*	*319,557,459*	–	*174,683,090*	*174,683,090*
	472,434	563,476,715	563,949,149	*258,464*	*322,125,930*	*322,384,394*	*72,200*	*176,806,454*	*176,878,654*
13 OTHER LIABILITIES									
i) Other liabilities	100,641,856	–	100,641,856	*177,065,572*	–	*177,065,572*	*183,581,983*	–	*183,581,983*
ii) Statutory payables	1,332,415	–	1,332,415	*1,280,091*	–	*1,280,091*	*3,877,995*	–	*3,877,995*
	101,974,271	–	101,974,271	*178,345,663*	–	*178,345,663*	*187,459,978*	–	*187,459,978*

Particulars	As at March 31, 2017	*As at March 31, 2016*	*As at March 31, 2015*
	₹	₹	₹
14 TRADE PAYABLES			
Due to Micro and Small enterprises	**1,646,578**	*384,369*	*363,179*
Due to Others	**18,036,644**	*7,624,992*	*8,283,781*
	19,683,222	*8,009,361*	*8,646,960*

NOTES FORMING PART OF ACCOUNTS (Contd.)

Company had entered into a supplementary agreement with GSRDC, on 9th November 2015 for settling certain disputes and claims under the terms of the concession agreement. In lieu of the said claims and disputes and in satisfaction of the certain civil works pending to be carried out by the Company, GSRDC had vide its letter dated 7th Feb 2017 had sought a compensation of ₹ 7,03,29,588/-from the Company, in settlement of the disputes and claim and discharging the Company from executing the said works. Accordingly the Company has adjusted the carrying amount of Toll collection rights and the provision carried in respect of civil works pending to be executed as at 31 March 2017 by ₹ 6,74,45,831/- to give effect to the said letter.

F **Contingent Liabilities and commitments**

Claims against the Company not acknowledged as debt:

GSRDC Vide its letter dated 9th June 2014 has claimed amount ₹ 5,56,89,317/- to pay revenue share on defined traffic based on clause 7.3 of Consession Agreement. However, company has rejected this demand raised by GSRDC and has sought for dispute resolution under Article 37 of Concession Agreement.

GSRDC Vide its letter no GMP/L&T HGS/161/2016 dated 30th January, 2016 has claimed amount ₹ 35,00,000/- based on Article 17 and Schedule L of the Concession Agreement for not maintaning the project highway. However, the same is being contested by the company.

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

	Particulars	**2016-17**		*2015-16*	
		₹	₹	₹	₹
15	**REVENUE FROM OPERATIONS**				
	Operating revenue:				
	Toll Collections	**862,684,319**		*861,895,050*	
	Less : Revenue share to NHAI/GSRDC *	**122,587,442**		*113,856,334*	
			740,096,877		*748,038,716*
			740,096,877		*748,038,716*
	*National Highway Authority of India				
	*Gujarat State Road Development Corporation Ltd				
16	**OTHER INCOME**				
	Interest income from:				
	Bank deposits	**10,546**		*9,522*	
	Others	**173,281**		-	
			183,827		*9,522*
	Profit on sale of current investments		**–**		*2,969,554*
	Other income		**41,862**		*80,935*
			225,689		*3,060,011*
17	**OPERATING EXPENSES**				
	Toll Management fees		**34,329,398**		*38,765,592*
	Security services		**14,115,455**		*15,146,410*
	Insurance		**4,936,977**		*4,436,639*
	Concession fee		**2**		*2*
	Repairs and maintenance				
	Toll road & bridge	**53,488,627**		*32,056,217*	
	Plant and machinery	**8,459,763**		*11,827,540*	
	Periodic major maintenance	**199,200,000**		*121,100,000*	
	Others	**7,947,662**		*8,153,351*	
			269,096,052		*173,137,108*
	Power and fuel		**9,788,397**		*10,874,267*
			332,266,281		*242,360,018*

NOTES FORMING PART OF ACCOUNTS (Contd.)

	Particulars	2016-17		2015-16	
		₹	₹	₹	₹
18	**EMPLOYEE BENEFIT EXPENSES**				
	Salaries, wages and bonus		**15,467,388**		*17,075,115*
	Contributions to and provisions for:				
	Provident fund	**1,001,139**		*1,076,837*	
	Gratuity	**329,865**		*399,216*	
	Compensated absences	**1,244,163**		*570,865*	
			2,575,167		*2,046,918*
	Staff welfare expenses		**2,094,988**		*3,435,154*
			20,137,543		*22,557,187*
19	**FINANCE COSTS**				
	Interest on borrowings		**798,342,496**		*1,104,919,518*
	Interest on GSRDC revenue share		**22,285,272**		*13,740,686*
	Interest on Debentures		**–**		*10,332,842*
	Interest on unsecured loan		**–**		*54,410,632*
	Bank charges and bank guarantee charges		**1,613,222**		*4,211,681*
	Unwinding of discount and implicit interest expense on fair value		**1,003,007,310**		*71,686,702*
			1,825,248,300		*1,259,302,061*
20	**ADMINISTRATION AND OTHER EXPENSES**				
	Rent, Rates and taxes		**188,291**		*15,318,026*
	Professional fees		**9,757,820**		*19,298,397*
	Postage and communication		**829,363**		*502,576*
	Printing and stationery		**1,196,627**		*1,189,123*
	Travelling and conveyance		**1,855,338**		*1,885,461*
	Repairs and Maintenance - Others		**2,570,808**		*952,864*
	Miscellaneous expenses		**1,125,545**		*635,459*
			17,523,792		*39,781,906*

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

Particulars	2016-17	2015-16
	₹	₹
a) As auditor	**393,990**	*383,300*
b) For taxation matters	**79,603**	*78,719*
c) For other services	**172,500**	*6,164*
Total	**646,093**	*468,183*

Components of Other Comprehensive Income

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

During the year ended 31 March 2017

Particulars	Retained earnings	Other reserves (specify nature)	Total
	₹	₹	₹
Remeasurement gains/(losses) on defined benefit plans	–	–	–
Not reclassifiable to profit or loss in subsequent periods	37,666	–	37,666
Reclassified to Statement of profit and lossww	–	–	–
	37,666	**–**	**37,666**

NOTES FORMING PART OF ACCOUNTS (Contd.)

G) NOTES FORMING PART OF ACCOUNTS

1) Corporate Information

L&T Halol Shamlaji Tollway Limited is a Special Purpose Vehicle (SPV) incorporated on 09-09-2008 for the purpose of widening of existing two-lane, 173.06 kilometers Road stretch covering Halol-Godhra-Shamlaji to make it four lane divided Carriageway facility under Viability Gap Funding scheme of Government of India and operation and maintenance thereof, under the Concession Agreement dated 17th September, 2008 The Concession is for a period of 20 years including the construction period. At the end of the 20 years the entire facility will be transferred to Gujarat State Road Development Corporation Ltd. The company achieved commercial operation on April 4, 2012 upon receipt of the provisional completion certificate executed between the Company and Gujarat State Road Development Corporation Ltd..

2) During the year, the company has incurred expenditure amounting to ₹ 24,96,915/- in foreign currency (previous year: ₹ 14,74,802/-) towards payment against purchase of spare parts for toll equipments.

During the year the company does not have any earnings 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 ₹ 10,01,139/- (previous year : ₹ 10,76,837/-) being contribution made to regional provident fund is recognised as expense and included under Employee benefit expense (Note 18) in the Statement of Profit and Loss.

(ii) Features of Its Defined benefit plans:

Gratuity:

a) The Company operates gratuity plan through LIC’s Group Gratuity scheme where every employee is entitiled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

Plan Features

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × 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 applocable 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	(Leave Days) × (Salary)/ (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 :

NOTES FORMING PART OF ACCOUNTS (Contd.)

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.

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*
	₹	₹	₹	₹
Present value of defined benefit obligation				
- Wholly funded	**1,382,005**	–	**–**	–
- Wholly unfunded	**–**	*1,047,487*	**1,485,145**	*1,552,281*
	1,382,005	*1,047,487*	**1,485,145**	*1,552,281*
Less : Fair value of plan assets	**1,167,228**	–	**–**	–
Net Liability / (asset)	**214,777**	*1,047,487*	**1,485,145**	*1,552,281*

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*
	₹	₹	₹	₹
Current service cost	**295,418**	*330,759*	**241,527**	*216,025*
Interest on Defined benefit obligation	**34,447**	*68,457*	**111,615**	*99,982*
Net value of remeasurements on the obligation and plan assets			**71,836**	*141,697*
Past service cost and loss/(gain) on curtailments and settlement	**–**	–	**(214,614)**	–
Total Charge to Statement of Profit and Loss	**329,865**	*399,216*	**210,364**	*457,704*

NOTES FORMING PART OF ACCOUNTS (Contd.)

d) Effect of defined benefit plans on the amount , timing and uncertainity of entity's future cash flows

e) 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:	–	–	–	–
From changes in demographic assumptions	–	*48,462*	–	–
From changes in financial assumptions	**75,991**	*8,581*	–	–
From changes in experience	**(83,052)**	*(242,950)*	–	–
Past service cost	–	–	–	–
Actuarial gain/(loss) not recognised in books	–	–	–	–
Return on plan assets excluding amounts included in interest income	**44,727**	–	–	–
Amounts recognized in Other Comprehensive Income	**37,666**	*(185,907)*	–	–

f) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof 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*
	₹	₹	₹	₹
Opening balance of the present value of defined benefit obligation	**1,047,487**	*879,743*	**1,552,281**	*1,315,821*
Add: Current service cost	**295,418**	*330,759*	**241,527**	*216,025*
Add: Interest cost	**78,616**	*68,457*	**111,615**	*99,982*
Add: Contribution by plan participants				
i) Employer	–	–	–	–
ii) Employee	–	–	–	–
Add/(less): Actuarial losses/(gains)	**(7,061)**	*(185,907)*	**71,836**	*141,697*
Less: Benefits paid	**(32,455)**	*(45,565)*	**277,500**	*221,244*
Add: Past service cost	–	–	**(214,614)**	–
Closing balance of the present value of defined benefit obligation	**1,382,005**	*1,047,487*	**1,485,145**	*1,552,281*

NOTES FORMING PART OF ACCOUNTS (Contd.)

g) **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	**44,169**	–	**–**	–
Return on plan assets excluding amounts included in interest income	**(44,727)**	–	**–**	–
Contributions by employer	**1,200,241**	–	**–**	–
Benefits paid	**(32,455)**	–	**–**	–
Closing value of plan assets	**1,167,228**	–	**–**	–

h) **Reconciliation of Net Defined Beneft 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	**1,047,487**	*879,743*	**1,552,281**	*1,315,821*
Employee Benefit Expense	**329,865**	*399,216*	**210,364**	*457,704*
Amounts recognized in Other Comprehensive Income	**37,666**	*(185,907)*	**–**	
	1,415,018	*1,093,052*	**1,762,645**	*1,773,525*
Benefits paid by the Company	**–**	*(45,565)*	**(277,500)**	*(221,244)*
Contributions to plan assets	**(1,200,241)**	–		
Closing provision in books of accounts	**214,777**	*1,047,487*	**1,485,145**	*1,552,281*

Particulars	**As at March 31, 2017**	*As at March 31, 2016*
Discount rate	**6.95%**	*7.70%*
Salary growth rate	**6.00%**	*6.00%*
Attrition rate	**15% at younger ages reducing to 3% at older ages**	*15% at younger ages reducing to 3% at older ages*

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%	1,330,435	-3.70%
	-0.50%	1,437,383	4.00%
Salary Growth Rate	0.50%	1,437,725	4.00%
	-0.50%	1,329,757	-3.80%

NOTES FORMING PART OF ACCOUNTS (Contd.)

j) **Maturity profile of defined benefit obligation**

(Amount in ₹)

	Gratuity	Leave Encashment
within 1 year	128,374	167,536
1-2 year	175,699	215,580
2-3 year	127,717	134,332
3-4 year	121,512	122,055
4-5 year	117,835	116,240
5-10 years	587,694	512,509

k) **The major categories of plan assets of the fair value of the total plan assets are as follows :**

	As at March 31, 2017	*As at March 31, 2016*	*As at March 31, 2016*
	₹	₹	₹
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.

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.

NOTES FORMING PART OF ACCOUNTS (Contd.)

6) DISCLOSURE OF RELATED PARTIES / RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24 “RELATED PARTY DISCLOSURES

a) List of related parties

Holding Company	L&T Infrastructure Development Projects Limited (From 1st April 2016 to 20th July 2016)
Associate Company	L&T Infrastructure Development Projects Limited (From 21st July 2016 to 31st March 2017)
Ultimate Holding Company	Larsen & Toubro Limited (From 1st April 2016 to 20th July 2016)
Fellow Subsidiary companies	L&T Transportation Infrastructure Limited
	Vadodara Bharuch Tollway Limited
	L&T Interstate Road Corridor Limited
	Panipat Elevated Corridor Limited
	Ahmedabad Maliya Tollway Limited
	L&T Rajkot Vadinar Tollway Limited
	L&T Samakhiali Gandhidham Tollway Limited
	Krishnagiri Thopur Toll Road Limited
	Devihalli Hassan Tollway Limited
	L&T BPP Tollway Limited
	L&T Port Kachchigarh Limited
	L&T General Insurance Company Limited
	PNG Tollway Limited
Key Managerial Personnel	Manager - Mr.Rajesh Tilokani (Till 30 September 2016)
	Manager - Mr.Dheeraj Khanna (From 15 February 2017)
	CFO - Mr. J M Lingareddy Vonteddu

PARTICULARS	2016-17 ₹	*2015-16* ₹
1. Purchase of goods and services incl. taxes		
Larsen & Toubro Limited	**457,174**	*2,385,475*
L&T Infrastructure Development Projects Limited	**11,092,033**	*21,284,003*
L&T General Insurance Company Limited	**–**	*3,903,056*
	11,549,207	*27,572,534*
2. Purchase of assets		
Ahmedabad Maliya Tollway Limited	**–**	*86,251*
L&T Samakhiali Gandhidham Tollway Limited	**30,955**	
	30,955	*86,251*
3. Sale of assets		
L&T Infrastructure Development Projects Limited	**54,451**	*–*
Ahmedabad Maliya Tollway Limited	**–**	*31,380*
L&T Interstate Corridor Limited	**560,986**	*–*
L&T Samakhiali Gandhidham Tollway Limited	**1**	*199,393*
L&T BPP Tollway Limited	**10,802**	*–*
	626,240	*230,773*

NOTES FORMING PART OF ACCOUNTS (Contd.)

PARTICULARS		2016-17 ₹	2015-16 ₹
4.	**Interest expense**		
	L&T Infrastructure Development Projects Limited	–	54,410,632
		–	54,410,632
5.	**Reimbursement of expenses charged from**		
	Larsen & Toubro Limited	1,094,111	1,541,206
	L&T Infrastructure Development Projects Limited	324,069	2,279,580
	Vadodara Bharuch Tollway Limited	–	735,305
	PNG Tollway Limited	–	20,360
	Ahmedabad Maliya Tollway Limited	–	385,218
	L&T Transportation Infrastructure Limited	–	20,876
		1,418,180	4,982,545
6.	**Reimbursement of expenses charged to**		
	L&T Infrastructure Development Projects Limited	12,000	3,138,047
	L&T BPP Tollway Limited	–	30,236
	Devihalli Hassan Tollway Limited	–	34,428
	Krishnagiri Thopur Toll Road Limited	–	129,720
	L&T Samakhali Gandhidham Tollway Limited	74,805	21,588
		86,805	3,354,019
7.	**ICD / Promoters Loan / Mezzanine Debt received**		
	L&T Infrastructure Development Projects Limited	–	733,190,736
		–	733,190,736
8.	**ICD / Promoters Loan / Mezzanine Debt repaid**		
	L&T Infrastructure Development Projects Limited	–	2,263,690,736
		–	2,263,690,736
9.	**Refundable deposit received for Director's Nomination**		
	L&T Infrastructure Development Projects Limited	–	300,000
		–	300,000
10.	**Issue of Preference Share Capital**		
	L&T Infrastructure Development Projects Limited	–	2,590,196,000
		–	2,590,196,000
11.	**Conversion of Mezzanine Debt to Equity Share Capital**		
	L&T Infrastructure Development Projects Limited	1,305,000,000	–
		1,305,000,000	–

NOTES FORMING PART OF ACCOUNTS (Contd.)

PARTICULARS	2016-17 ₹	*2015-16 ₹*
12. Key Managerial personnel		
Mr. Rajesh Tilokani	**874,049**	*1,677,167*
Mr. Dheeraj Khanna	**148,578**	*–*
Ms. Priyal Sarvaiya	**–**	*–*
	1,022,627	*1,677,167*

	Amounts due (to)/from As at March 31, 2017	*As at March 31, 2016*
c) Amount due to and due from related parties(net):		
i. Ultimate Holding company		
Larsen & Toubro Limited	**(48,819)**	*(392,326)*
ii. Holding company		
L&T Infrastructure Development Projects Limited	**(2,367,537)**	*(653,216)*
iii. Fellow subsidiaries		
L&T Port Kachchigarh Limited	**–**	*129,720*

Particulars	2016-17 Due to	*2015-16 Due to*
d) Outstanding Balance of Loans		
L&T Infrastructure Development Projects Limited	**–**	*–*
Mezzanine Debt.	**–**	*1,305,000,000*

e) No amount due to or due from related parties has been written back or written off during the year (Previous year is ₹ Nil)

f) 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.

g) Compensation of Key Management personnel of the group

Particulars	As at March 31, 2017	As at March 31, 2016
Short term employee benefits	1,022,627	1,677,167
Post employment gratuity and medical benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-
Share based payment transactions	-	-

7) 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	(1,895,628,962)	(983,814,835)
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	762,744,086	277,448,253
Basic earnings per equity share (₹)	A / B	**(2.49)**	**(3.55)**

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars		2016-17	2015-16
		₹	₹
Diluted earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	(1,895,628,962)	(983,814,835)
Add : Interest on convertibles (net of tax)	B	-	-
Profit for the year attributable to owners of the Company for the calculating of diluted earnings per share (₹)	C = A+B	(1,895,628,962)	(983,814,835)
Weighted average number of equity shares outstanding for calculating basic earnings per share	D	762,744,086	277,448,253
Add : Shares deemed to be issued for no consideration in respect of :	E	-	-
Compulsorily convertible preference share capital	F	-	-
Compulsorily convertible debentures	G	-	-
Weighted average number of equity shares outstanding for calculating diluted earnings per share	H = D + E	**762,744,086**	**277,448,253**
Diluted earnings per equity share (₹)		**(2.49)**	**(3.55)**
Face value per equity share (₹)		10.00	10.00

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".

8) 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.

9) Disclosures as per Ind AS 37 - "Provisions, Contingent Liabilities and Contingent assets "

a) Nature of provisions:

i) Major Maintenance 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 (GSRDC) as per the maintenance standards prescribed in Concession agreement.

For this purpose, a regular maintenance along with periodic maintenances is required to be performed. Normally periodic maintenance includes resurface of pavements, repairs of structures and other equipments and maintenance of service roads.

As per industry practice, the periodic maintenance is expected to occur after 7 years. The maintenance cost / bituminous overlay may vary based on the actual usage during maintenance period. Accordingly on the grounds of matching cost concept and based on technical estimates, a provision for major maintenance expenses is reviewed and is provided for in the accounts annually."

During the current year company has provided ₹ 25,70,79,371/- (Previous Year ₹ 17,76,00,000/-) for periodic Major Maintenance in respect of its resurfacing obligation

b) Movement in provisions:

i) Major Maintenance 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 (GSRDC) as per the maintenance standards prescribed in Concession agreement.

For this purpose, a regular maintenance along with periodic maintenances is required to be performed. Normally periodic maintenance includes resurface of pavements, repairs of structures and other equipments and maintenance of service roads.

As per industry practice, the periodic maintenance is expected to occur after 7 years. The maintenance cost / bituminous overlay may vary based on the actual usage during maintenance period. Accordingly on the grounds of matching cost concept and based on technical estimates, a provision for major maintenance expenses is reviewed and is provided for in the accounts annually.

During the current year company has provided ₹ 25,70,79,371/- (Previous Year ₹ 17,76,00,000/-) for periodic Major Maintenance in respect of its resurfacing obligation

NOTES FORMING PART OF ACCOUNTS (Contd.)

b) Movement in provisions:

i) Major Maintenance Provision

Particulars	**As at 31 March 2017**	As at 31 March 2016	As at 01 April 2015
Opening balance	**319,557,458**	174,683,090	-
Additional provision	**199,200,000**	121,100,000	168,300,000
Utilised	**-**	-	-
Unused amounts reversed	**-**	-	-
Unwinding of discount and changes in discount rate	**43,491,769**	23,774,368	6,383,090
Closing balance	**562,249,227**	319,557,458	174,683,090

c) Contingent liabilities :

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

10) DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD 08 NOVEMBER 2016 TO 30 DECEMBER 2016

	SBNs	**Other denomination notes**	**Total**
Closing cash in hand as on 08.11.2016	2,007,500	2,480,442	4,487,942
(+) Permitted receipts	16,906,000	37,884,144	54,790,144
(-) Permitted payments	-	12,234,473	12,234,473
(-) Amount deposited in Banks	18,913,500	19,495,930	38,409,430
Closing cash in hand as on 30.12.2016	-	8,634,183	8,634,183

11) DISCLOSURE PURSUANT TO IND AS 38 - " INTANGIBLE ASSETS"

Intangible asset	**Useful Life**	**Amortisation method used**	**Internally generated or Acquired**
Toll Collection Rights	25 years	Revenue Based	Acquired

12) DISCLOSURE PURSUANT TO IND AS 12 RECOGNITION OF DEFERRED TAX ASSETS & LIABILITIES

DTA has not been recognized in the accounts, as company is availing tax exemption benefit u/s 80IA hence there is no reasonable certainty that defereed tax asset will be relalized in future.

13) CAPITAL REDEMPTION RESERVE & DIVIDEND ON PREFERENCE SHARES

As the company does not have profits for the current year, Capital Redemption Reserve & dividend on Preference Shares for optionally convertible cumulitive redeemabe preference shares as defined under Section 55 of the Companies Act, 2013 has not been created.

14) The company has informed to Gujarat State Road Development Corporation Limited (GSRDC) that it will be defering the payment revenue share payable under the provisions of the concession agreement, from May 2014 on account of the reduction between expected and actual collections due to the development of competing road, Accordingly the Company had accrued interest at RBI bank rate plus 2% on such outstanding revenue share payable as at the Balance Sheet. The revenue share payable of ₹ 30,18,95,450/- (Previous Year ₹ 20,01,06,281/-) along with interest accrued of ₹ 3,57,80,597/- (Previous Year ₹ 1,61,02,908/-) is shown under the head "other current liabilities"

15) On 11th January 2016, The Company had issued a notice to GSRDC to Cure the default under Clause 30.4.1 of the Concession Agreement on account of development of competing road resulting in breach of the Concession agreement and State Support Agreement which had resulted in losses. On 19th April 2016, The Company issued a notice to GSRDC to terminate the concession and had requested them to take possession and control of the project. In view of the ongoing discussions, GSRDC had not taken possession and control of the project.

The consortium of project lenders, led by Allahabad Bank were in discussion with Company, GSRDC as well as Government of Gujarat (GoG) for reviving the project under the Strategic Debt Restructuring Scheme (SDR scheme) of RBI. For the SDR scheme to go through, one of the pre-requisites was the project/concession should be live/operable. In order to support the revival of the project and to support the lenders, the Company vide its letter dated 23rd September 2016 had withdrawn the termination notice issued on 19th April 2016 to proceed with the implementation/execution of the SDR scheme.

16) In view of the issues discussed in the aforesaid notes regarding the development of competing road, resulting in loss of revenue and consequent difficulties in servicing the debt, the Company had defaulted on the debt servicing obligations as at 31st March 2016 to the extent of ₹ 17,67,60,000/-. On 4th June 2016 the project lenders formed a Joint Lenders Forum (JLF) as per RBI guidelines to determine a Corrective Action Plan (CAP) under the SDR scheme of RBI. The JLF in its meeting dated 21st July 2016, among other things, finalised following CAP.

NOTES FORMING PART OF ACCOUNTS (Contd.)

1. Conversion of debt of ₹ 405,82,65,250/- into Equity Shares
2. Extension of repayment schedule for balance debt.

After completion of the regulatory requirements of the SDR scheme, the Company had entered in to a Master Restructuring Agreement (MRA) with the project lenders, Security Trustee and the lenders agent on 14th February 2017 to make the SDR scheme effective and operational from the said date.

In terms of the said MRA and based on discussions with the banks, the company has calculated interest on full senior debt till 31st July 2016. From 1st August 2016, interest has been calculated on debt of ₹ 5,97,24,54,007/- (PART B) i.e after reducing the portion of Debt of ₹ 4,05,82,65,250 (PART A) which has been converted into Equity. However, different Banks have given effect to SDR in different manner in the their books of account resulting into differences in balance outstanding as per books of the company and statements given by Banks as on 31st March, 2017. The details of which are as under:

Name of the Company	Balance as per Books	Balance as per Bank Statement	Difference
Allahabad Bank	954,070,617	1,004,655,754	-50,585,137
UCO Bank	894,752,799	1,680,680,267	-785,927,468
Oriental bank of Commerce	821,009,518	820,754,418	255,100
Syndicate Bank	700,213,012	761,359,800	-61,146,788
Indian Bank	526,246,034	508,003,296	18,242,738
HDFC Bank Limited	391,959,884	401,904,359	-9,944,475
IndusInd Bank	529,647,339	557,512,142	-27,864,803
India Infrastructure Financial Corporation Limited	1,199,719,710	1,110,522,300	89,197,410
Total	**6,017,618,913**	**6,845,392,337**	**-827,773,424**

The company has discussed this issue with lenders independently as well in JLF meeting. The reconciliation of the balances is in progress.

Few banks have reversed unrealised interest from the term loan account of the company as per Income Recognition and Asset Classification (IRAC) norms of RBI. However, as the liability of the company to pay this interest continues, the reversal has not been considered in the books of company. Banks have not informed clearly that the loan is on NPA Status.

1) Balances of Sundry Creditors / Sundry Debtors are subject to confirmation and reconciliation, if any.

18 The Company does not have a full time Company Secretary as required by section 203(1) of the Companies Act, 2013.

19 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 comparitive amounts are reclassified, nature amount and reason to be disclosed and not just the fact of reclassification.)

20 FIRST TIME ADOPTION OF IND AS

These financial statements, for the year ended 31 March 2016, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2015, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

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

a) Exemptions availed

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS.

The company has elected to opt for the deemed cost exemption in respect of all the property, plant and equipment whereby the carrying amount as at the transition date is considered as Deemed cost.

The company has also elected to opt for the exemption to continue with the policy adopted for amortization of intangible assets (toll collection rights) under service concession arrangements recognised the financial statements for the period ending before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

The financial statements were approved for issue by the board of directors on 26-04-2017.

NOTES FORMING PART OF ACCOUNTS (Contd.)

21) The following is a brief summary of the GAAP adjustments made by the Company on account of transition to IndAS from the previous GAAP.

(i) Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised over the tenor of the loan. 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 31st March 2015 have been reduced by ₹ 3,17,90,040/- Consequently an amount of ₹ 4,26,59,006/- has been derecognised from toll collection rights with an effect of ₹ 1,08,68,966/- to retained earnings. On derecognisiation of toll collection rights amount of ₹ 11,98,996/- has been decreased by corresponding adjustment to Retained Earnings.

(ii) Provisions

Under 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 ₹ 11,63,16,910. Consequently, provision for periodic major maintenance as at the transition date is reduced to the extent of ₹ 11,63,16,910.

22) INCOME TAX EXPENSES

a) The company is not required to pay current income tax due to tax loss as determined in accordance with the Income Tax Act, 1961.

b) In view of losses incurred by the Company during the current year under Income Tax Act 1961, deferred tax assets on deductible temporary differences and carry forward of unused tax losses have been recognised for in the books to the extent of deferred tax liability on consideration that the taxable income will not be available in the forseable future years against which those temporary differences, losses and tax credit can be utilized. The Company is also eligible for deduction under section 80IA of the Income Tax Act, 1961, which its propose to claim in the future years.

22) 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	3	–	–	1,759,556	–	–	1,787,206	–	–	1,787,206
Trade receivables	5	–	–	15,544,964	–	–	–	–	–	–
Cash and Bank Balances	6 & 7	–	–	34,350,015	–	–	8,395,118	–	–	11,468,018
Total Financial Asset		–	–	**51,654,535**	–	–	**10,182,324**	–	–	**13,255,224**
Financial liability										
Term Loan from Banks & Fis	10	–	–	5,959,245,969	–	–	9,756,493,591	–	–	10,313,109,964
Loans from related parties	10	–	–	–	–	–	359,682,834	–	–	1,846,654,128
Revenue Share Payable to GSRDC	11	–	–	301,895,450	–	–	200,106,281	–	–	88,020,330
Intererst Accrued	11	–	–	80,945,503	–	–	140,662,683	–	–	128,695,790
Trade Payables	14	–	–	19,683,222	–	–	8,009,361	–	–	8,646,960
Total Financial Liabilities		–	–	**6,361,770,144**	–	–	**10,464,954,750**	–	–	**12,385,127,172**

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.

NOTES FORMING PART OF ACCOUNTS (Contd.)

23) FAIR VALUE OF FINANCIAL ASSET AND LIABILTIES AT AMORTIZED COST

Particular	Note no.	31.03.2017		31.03.2016		01.04.2015	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL ASSETS							
Security Deposits	3	1,759,556	1,759,556	1,787,206	1,787,206	1,787,206	1,787,206
Trade receivables	5	15,544,964	15,544,964	–	–	–	–
Cash and Bank Balances	6 & 7	34,350,015	34,350,015	8,395,118	8,395,118	11,468,018	11,468,018
Total Financial Assets		**51,654,535**	**51,654,535**	**10,182,324**	**10,182,324**	**13,255,224**	**13,255,224**
FINANCIAL LIABILITY							
Term Loan from Banks & Fis	10	5,959,245,969	5,959,245,969	9,756,493,591	9,756,493,591	10,313,109,964	10,313,109,964
Loans from related parties	10	-	-	359,682,834	359,682,834	1,846,654,128	1,846,654,128
Revenue Share Payable to GSRDC	11	301,895,450	301,895,450	200,106,281	200,106,281	88,020,330	88,020,330
Intererst Accrued	11	80,945,503	80,945,503	140,662,683	140,662,683	128,695,790	128,695,790
Trade Payables	14	19,683,222	19,683,222	8,009,361	8,009,361	8,646,960	8,646,960
Total Financial Liabilities		**6,361,770,144**	**6,361,770,144**	**10,464,954,750**	**10,464,954,750**	**12,385,127,172**	**12,385,127,172**

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 GSRDC (Including Interest) reasonably approximates its fair value, hence their carrying value is considered to be same as their fair value.

Refer Note (25) for information on Financial Asset pledged as security

24) FAIR VALUE MEASUREMENT

Fair Value Measurement of Financial asset and Financial liabilties

Fair value hierarchy

As at March 31, 2017

	Note No.	Level 1	Level 2	Level 3	Total
Financial Asset & Liabilites Measured at FV - Recurring FVM					
FINANCIAL ASSET MEASURED AT FVTPL					
Investments in Mutual Funds		–	–	–	–
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					
FINANCIAL ASSETS					
Security Deposits	3	–	1,759,556	–	1,759,556
Trade receivables	5	–	15,544,964	–	15,544,964
Cash and Bank Balances	6 & 7	–	34,350,015	–	34,350,015
Total of Financial Assets		–	**51,654,535**	–	**51,654,535**

NOTES FORMING PART OF ACCOUNTS (Contd.)

	Note No.	Level 1	Level 2	Level 3	Total
FINANCIAL LIABILITIES					
Term Loan from Banks	10	–	5,959,245,969	–	5,959,245,969
Loans from related parties	10	–	–	–	-
Revenue Share Payable to GSRDC	11	–	301,895,450	–	301,895,450
Intererst Accrued	11	–	80,945,503	–	80,945,503
Trade Payables	14	–	19,683,222	–	19,683,222
Total Financial liabilties		**–**	**6,361,770,144**	**–**	**6,361,770,144**

As at March 31, 2016

	Note No.	Level 1	Level 2	Level 3	Total
Financial Asset & Liabilites Measured at FV - Recurring FVM					
FINANCIAL ASSET MEASURED AT FVTPL					
Investments in Mutual Funds		–	–	–	–
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					
FINANCIAL ASSETS					
Security Deposits	3	–	1,787,206	–	1,787,206
Trade receivables	5	–	–	–	–
Cash and Bank Balances	6 & 7	–	8,395,118	–	8,395,118
Total Financial Assets		**–**	**10,182,324**	**–**	**10,182,324**
FINANCIAL LIABILITIES					
Term Loan from Banks	10	–	9,756,493,591	–	9,756,493,591
Loans from related parties	10	–	359,682,834	–	359,682,834
Revenue Share Payable to GSRDC	11	–	200,106,281	–	200,106,281
Intererst Accrued	11	–	140,662,683	–	140,662,683
Trade Payables	14	–	8,009,361	–	8,009,361
Total Financial Liabilities		**–**	**10,464,954,750**	**-**	**10,464,954,750**

As at April 1, 2015

	Note No.	Level 1	Level 2	Level 3	Total
Financial Asset & Liabilites Measured at FV - Recurring FVM					
FINANCIAL ASSET MEASURED AT FVTPL					
Investments in Mutual Funds		–	–	–	–
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					
FINANCIAL ASSETS					
Security Deposits	3	-	1,787,206	-	1,787,206
Trade receivables	5	-	-	-	-
Cash and Bank Balances	6 & 7	–	11,468,018	–	11,468,018
Total Financial Assets		**–**	**13,255,224**	**–**	**13,255,224**

NOTES FORMING PART OF ACCOUNTS (Contd.)

	Note No.	Level 1	Level 2	Level 3	Total
FINANCIAL LIABILITIES					
Term Loan from Banks	10	–	10,313,109,964	–	10,313,109,964
Loans from related parties	10	–	1,846,654,128	–	1,846,654,128
Revenue Share Payable to GSRDC	11	–	88,020,330	–	88,020,330
Intererst Accrued	11	–	128,695,790	–	128,695,790
Trade Payables	14	–	8,646,960	–	8,646,960
Total Financial Liabilities		–	**12,385,127,172**	–	**12,385,127,172**

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 to GSRDC (Including Interest)	Income	Cash flow

25) ASSET PLEDGED AS SECURITY

Particulars	Note no	31.03.2017	*31.03.2016*	*01.04.2015*
NON FINANCIAL ASSET				
Property, Plant & Equipment	1	**91,599,290**	*133,390,849*	*178,194,481*
Other Non Current Assets	4	**139,347**	-	-
Other Current Assets	4	**1,363,315**	*5,632,961*	*8,776,098*
FINANCIAL ASSET				
Security Deposits	3	**1,759,556**	*1,787,206*	*1,787,206*
Cash and Bank Balances	6&7	**34,350,015**	*8,395,118*	*11,468,018*
Trade and Other Receivables	5	**15,544,964**	-	-
TOTAL		**144,756,487**	*149,206,134*	*200,225,803*

26) 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.

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.

NOTES FORMING PART OF ACCOUNTS (Contd.)

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	**5,959,245,969**	*9,756,493,591*	*10,313,109,964*

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 basis point	19,644,674	25,087,004

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 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		**–**	–	–

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.

NOTES FORMING PART OF ACCOUNTS (Contd.)

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	5,959,245,969	119,184,919	238,369,839	297,962,298	5,303,728,912
Loans from related parties	–	–	–	–	–
Revenue Share Payable to GSRDC	301,895,450	–	–	–	301,895,450
Intererst Accrued	80,945,503	–	–	–	80,945,503
Trade Payables	19,683,222	19,683,222	–	–	–
Total	**6,361,770,144**	**138,868,141**	**238,369,839**	**297,962,298**	**5,686,569,865**
Derivative Financial Liability	NIL	NIL	NIL	NIL	NIL
As at March 31, 2016					
NON DERIVATIVE FINANCIAL LIABILITY					
Senior Debt from Banks	9,756,493,591	522,100,000	730,900,000	3,549,900,000	4,953,593,591
Loans from related parties	359,682,834	359,682,834	–	–	–
Revenue Share Payable to GSRDC	200,106,281	–	–	–	200,106,281
Intererst Accrued	140,662,683	–	–	–	140,662,683
Trade Payables	8,009,361	8,009,361			
Total	**10,464,954,750**	**889,792,195**	**730,900,000**	**3,549,900,000**	**5,294,362,555**
Derivative Financial Liability	NIL	NIL	NIL	NIL	NIL
As at April 01, 2015					
NON DERIVATIVE FINANCIAL LIABILITY					
Senior Debt from Banks	10,313,109,964	313,200,000	522,100,000	2,819,100,000	6,658,709,964
Loans from related parties	1,846,654,128	1,486,971,294	359,682,834	–	–
Revenue Share Payable to GSRDC	88,020,330	88,020,330	–	–	–
Intererst Accrued	128,695,790	72,250,125	–	–	56,445,665
Trade Payables	8,646,960	8,646,960	–	–	–
Total	**12,385,127,172**	**1,969,088,709**	**881,782,834**	**2,819,100,000**	**6,715,155,629**
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. The company has other receivables primarily from government authority i.e. GSRDC. Hence, the management believes that the company is not exposed to any credit risk.

27) DISCLOSURE PURSUANT TO APPENDINX - A TO IND AS 11 - " SERVICE CONCESSION ARRANGEMENTS"

27.1) Description and classification of the arrangment

The Company has entered into Concession Agreement ('CA') with Gujarat State Road Development Corporration Limted (GSRDC) dated September 17, 2008 for construction of additional 2 lane for Halol-Shamlaji Road to make it Four Lane Divided Carriageway Facility under Viability Gap Funding Scheme of Government of India on Built Operate and Transfer basis. The Concession Period is of 20 years including construction period of 910 days. The Company obtained provisiona completion certificate on 4th April 2012 from the GSRDC. As per the CA, the company is entitled to charge users of the public service, hence the service arrangement has been classified as Intangible Asset.

27.2) Significant Terms of the arrangements

27.2.1) Revision of Fees:

Fees shall be revised annually on April 01 subject to the provisions Article 6 and Schedule G of the Concession Agreement dated Sept 17, 2008.

NOTES FORMING PART OF ACCOUNTS (Contd.)

27.2.2) Concession Fee, Other Fees and Excess Revenue Sharing:

As per Article 7 of the Concession Agreement, the company is liable to pay Concession Fee Re 1 every year. The company is also liable of payment of Additional Concession Fee at the rate of 10.21% of total realisable fee. The rate of additional concession fee increases by 1% for each subsequent period of concession. i.e. 11.21% for second year , 12.21% for third year and so on

27.2.3) Rights of the Company for use Project Highway

a) To demand, collect and appropriate, Fee from vehicles and perosns 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.

27.2.4) Obligation of the Company

a) The comapny 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 maitenance of Project Highway as per Schedule L of the CA.

27.2.5) 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.

27.2.6) Details of Termination

CA can be terminated on account of default of the company or GSRDC in the circumstances as specified under article 30 of the CA.

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

a) As per supplimentary Agrement dated 9th Nov 2015 GSRDC has extended the concession period by 111 days due to various issues during construction period.

28) CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium, Other equity in form of Subordinate Debt and all other reserves attributable to the equity holders of the Company.

The Company's objective for capital management is to maximize shareholder value and safeguard business continuity.

The Company determines the capital requirement based on annual operating plans and other strategic plans. The funding requirements are met through equity and operating cash flows generated.

Summary of Quantitative Data is given hereunder:

Particulars	**March 31, 2017**	*March 31, 2016*	*April 01, 2015*
	₹	₹	₹
Equity	**7,963,363,250**	*1,305,000,000*	*1,305,000,000*
Other Equity	**(3,172,658,054)**	*18,068,908*	*(1,588,312,257)*
Total	**4,790,705,196**	*1,323,068,908*	*(283,312,257)*

The company does not have any externally imposed capital requirement.

RECONCILATION OF EQUITY AS AT 1ST APRIL 2015

Particulars	Note No.	Indian GAAP* ₹	Adjustments ₹	Ind AS ₹
ASSETS				
(1) Non-current assets				
a) Property, plant and equipment	**1**	178,194,481	–	178,194,481
b) Capital work-in-progress	**2**	–	–	–
c) Intangible assets	**3**	12,306,413,098	(41,460,010)	12,264,953,088
d) Intangible assets under development	**4**	–	–	–
e) Financial assets		–	–	
i) Loans	**5**	1,787,206	–	1,787,206
f) Deferred tax assets (net)		–	–	–
g) Other non-current assets	**6**	–	–	–
	A	12,486,394,785	(41,460,010)	12,444,934,775
Current assets				
a) Inventories		–	–	–
b) Financial assets				
i) Investments	**7**	–	–	–
ii) Trade receivables	**8**	–	–	–
iii) Cash and bank balances	**9**	11,336,101	–	11,336,101
iv) Loans	**5**	131,917	–	131,917
c) Current tax assets (net)	**6**	974,656	–	974,656
d) Other current assets	**6**	8,776,098	–	8,776,098
	B	21,218,772	–	21,218,772
TOTAL	**A+B**	**12,507,613,557**	**(41,460,010)**	**12,466,153,547**
EQUITY AND LIABILITIES				
EQUITY				
a) Equity share capital	**10**	1,305,000,000	–	1,305,000,000
b) Other equity	**11**	(2,683,805,069)	1,095,492,812	(1,588,312,257)
	C	(1,378,805,069)	1,095,492,812	(283,312,257)
LIABILITIES				
(1) Non-current liabilities				
a) Financial liabilities				
i) Borrowings	**12**	12,567,200,004	(1,020,635,912)	11,546,564,092
ii) Other financial liabilities	**13**	72,250,125		72,250,125
b) Provisions	**14**	293,123,364	(116,316,910)	176,806,454
c) Deferred tax liabilities (net)		–		–
d) Other non-current liabilities	**15**	–		–
	D	12,932,573,493	(1,136,952,822)	11,795,620,671
Current liabilities				
a) Financial liabilities				
i) Borrowings	**12**	–	–	–
ii) Trade payables	**16**	8,646,960	–	8,646,960
iii) Other financial liabilities	**13**	757,665,995	–	757,665,995
b) Other current liabilities	**15**	187,459,978	–	187,459,978
c) Provisions	**14**	72,200	–	72,200
d) Current tax liabilities (net)	**17**	–	–	–
	E	953,845,133	–	953,845,133
Total Equity and Liabilities	**C+D+E**	**12,507,613,557**	**(41,460,010)**	**12,466,153,547**
		–	–	–

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

RECONCILATION OF EQUITY AS AT 31ST MARCH 2016

Particulars	Note No.	Indian GAAP* ₹	Adjustments ₹	Ind AS ₹
ASSETS				
(1) Non-current assets				
a) Property, plant and equipment	**1**	133,390,849	–	133,390,849
b) Capital work-in-progress	**2**	–	–	–
c) Intangible assets	**3**	12,179,914,374	(41,030,195)	12,138,884,179
d) Intangible assets under development	**4**	–	–	–
e) Financial assets		–	–	–
i) Loans	**5**	1,787,206	–	1,787,206
f) Deferred tax assets (net)		–	–	–
g) Other non-current assets	**6**	–	–	–
	A	12,315,092,429	(41,030,195)	12,274,062,234
Current assets				
a) Inventories				
b) Financial assets				
i) Investments	**7**	–	–	–
ii) Trade receivables	**8**	–	–	–
iii) Cash and bank balances	**9**	8,252,424	–	8,252,424
iv) Loans	**5**	142,694	–	142,694
c) Current tax assets (net)	**6**	663,402	–	663,402
d) Other current assets	**6**	5,632,961	–	5,632,961
	B	14,691,481	–	14,691,481
TOTAL	**A+B**	**12,329,783,910**	**(41,030,195)**	**12,288,753,715**
EQUITY AND LIABILITIES				
EQUITY				
a) Equity share capital	**10**	1,305,000,000	–	1,305,000,000
b) Other equity	**11**	(1,062,667,017)	1,080,735,925	18,068,908
	C	242,332,983	1,080,735,925	1,323,068,908
LIABILITIES				
(1) Non-current liabilities				
a) Financial liabilities				
i) Borrowings	**12**	10,514,700,010	(972,723,579)	9,541,976,431
ii) Other financial liabilities	**13**	–		–
b) Provisions	**14**	471,168,471	(149,042,541)	322,125,930
c) Deferred tax liabilities (net)				–
d) Other non-current liabilities	**15**	–		–
	D	10,985,868,481	(1,121,766,120)	9,864,102,361
Current liabilities				
a) Financial liabilities				
i) Borrowings	**12**	–	–	–
ii) Trade payables	**16**	8,009,361	–	8,009,361
iii) Other financial liabilities	**13**	914,968,958	–	914,968,958
b) Other current liabilities	**15**	178,345,663	–	178,345,663
c) Provisions	**14**	258,464	–	258,464
d) Current tax liabilities (net)	**17**	–		–
	E	1,101,582,446	–	1,101,582,446
Total Equity and Liabilities	**C+D+E**	**12,329,783,910**	**(41,030,195)**	**12,288,753,715**
		–	–	–

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

RECONCILIATION OF PROFIT AND LOSS AS AT 31ST MARCH, 2016

Particulars	Note No.	Indian GAAP* ₹	Adjustments ₹	Ind AS ₹
REVENUE				
Revenue from operations	18	748,038,716	–	748,038,716
Other income	19	3,060,011	–	3,060,011
Total income		**751,098,727**	**–**	**751,098,727**
EXPENSES				
Cost of materials consumed		–		
Operating expenses	20	298,860,018	(56,500,000)	242,360,018
Employee benefits expense	21	22,371,280	185,907	22,557,187
Finance costs	22	1,187,615,359	71,686,702	1,259,302,061
Depreciation, amortisation and obsolescence	1&2	171,528,112	(429,815)	171,098,297
Administration and other expenses	23	39,781,906	–	39,781,906
Total expenses		**1,720,156,675**	**14,942,794**	**1,735,099,469**
Profit/(loss) before exceptional items and tax		**(969,057,948)**	**(14,942,794)**	**(984,000,742)**
Exceptional items (EIP code 90004)		–	–	–
Profit/(loss) before tax		**(969,057,948)**	**(14,942,794)**	**(984,000,742)**
Tax Expense:				
Current tax		–	–	–
		–	–	–
Profit/(loss) for the year		**(969,057,948)**	**(14,942,794)**	**(984,000,742)**

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

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

I. SIGNIFICANT ACCOUNTING POLICIES

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

1. Basis of preparation

(a) Compliance with IndAS

The Company's financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015] and Companies (Indian Accounting Standards) Amendmend Rules, 2016.

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. Previous period numbers in the financial statements have been restated to Ind AS.

These financial statements are the first financial statements of the Company under IndAS. Refer Note 11-15 for an explanation on how the transition from previous GAAP 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 which are measured at fair values:

- Certain financial assets and liabilities
- Net defined benefit (asset) / liability

(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. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(d) Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs are other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived prices)

Level 3 – inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (Contd.)

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

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

3 Revenue recognition

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

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

a) 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, electronic or digital mode of payment is accounted on cash basis. The compensation receivable for categories vehicles exempted from Toll by Concessioning Authority is accounted on cash basis except for the last month of year where it is recognised on estimated realisable value basis.

b) Interest income is recognised using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

c) Fair value gains on current investments carried at fair value are included in Other income.

d) 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.

e) Other items of income are recognised as and when the right to receive arises.

4 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank (including demand deposits) and in hand and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdraft is shown within borrowings

Short term deposits are made for varying periods between one day and 12 months, depending on the immediate cash requirement and earn interest at fixed the respective short term deposit rates.

5 Cash flow statement

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

(a) transactions of a non-cash nature;

(b) any deferrals or accruals of past or future operating cash receipts or payments and,

(c) all other items of income or expense associated with investing or financing cash flows.

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

6 Property, plant and equipment (PPE)

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset at the time of disposal and are recognized in the statement of profit and loss when the asset is derecognized.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (Contd.)

In respect of Property, Plant and Equipment purchased during the year, depreciation is provided on a pro-rata basis from the date on which such asset is ready to use. Assets costing less than rupees five thousand each is fully depreciated in the year of purchase.

The residual value, useful live and method of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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.

The estimated useful lives of the assets are as follows:

Category of Property, plant and equipment	Estimated useful life (in years)
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

7 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 GAAP.

8 Intangible assets

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 Gujarat State Road Development Corporation Ltd (GSRDC), 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.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (Contd.)

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 Gujarat State Road Development Corporation Ltd (GSRDC) 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.

9 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 period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

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.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (Contd.)

10 Borrowing costs

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

11 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The company / Group's chief operating decision maker is the Chief Executive Officer and Managing Director.

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'.

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'.

12 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.

13 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.

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, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, losses and tax credit can be utilized, except when deferred tax asset on deductible temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

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.

14 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.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (Contd.)

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.

15 Provisions, contingent liabilities and contingent assets

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

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

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

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only be occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. The company does not recognize a contingent asset but discloses its existence in the financial statements

16 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

   (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

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (Contd.)

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.

17 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

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income

- 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.

A financial asset which is not classified in any of the above categories are measured at fair valued through 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, dividends, losses and gains relating to financial instruments or a component that is a financial liability shall be recognised as income or expenses in profit or loss.. 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.

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when obligation specified in the contract is discharged or cancelled or expires.

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, trade receivable 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. Impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the statement of profit and loss

b) Financial Liabilities

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

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

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

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

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

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.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (Contd.)

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.

18 IND AS 115 is issued but not yet effective

19 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.

20 Commitments

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

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for

(ii) Uncalled liability on shares and other investments partly paid

(iii) Funding related commitment to subsidiary, associate and joint venture companies and

(iv) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

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

21 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 decided to continue with the revenue based amortisation method for existing road concessions.

As per our report attached
T R CHADHA & CO LLP
Chartered Accountants
Firm's Registration No. 006711N / N500028
By the hand of

ARVIND MODI
Partner
Membership No. 112929

Place : Ahmedabad
Date: April 26, 2017

For and on behalf of the board of

VJM REDDY
Chief Finance Officer

SIPRA PAUL
Company Secretary
M. No. A29128

KARTHIKEYAN T V
Director
DIN: 01367727

ESTHER MALINI
Director
DIN: 07124748

Place : Chennai
Date : April 26, 2017