BOARD'S REPORT

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

FINANCIAL RESULTS / FINANCIAL HIGHLIGHTS

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

Particulars	**2016-17**	*2015-16*
	₹ crore	*₹ crore*
Profit/ (loss) Before Depreciation, exceptional and extra ordinary items & Tax	**(0.53)**	*(1.08)*
Less: Depreciation, amortization and obsolescence	**–**	–
Add: Transfer from Revaluation Reserve	**–**	–
Profit / (loss) before exceptional and extraordinary items and tax	**(0.53)**	*(1.08)*
Add: Exceptional Items	**–**	–
Profit / (loss) before extraordinary items and tax	**(0.53)**	*(1.08)*
Add: Extraordinary items	**–**	–
Profit / (Loss) before tax	**(0.53)**	*(1.08)*
Less: Provision for tax	**–**	–
Profit / (loss) after tax from continuing operations	**(0.53)**	*(1.08)*
Profit / (loss) for the period carried to the balance sheet	**(0.53)**	*(1.08)*
Add: Balance brought forward from previous year	**(2.44)**	*(1.36)*
Less: Dividend paid for the previous year (Including dividend distribution tax)	**–**	–
Balance available for disposal (which directors appropriate as follows)	**(2.97)**	*(2.44)*
Balance carried to Balance Sheet	**(2.97)**	*(2.44)*

STATE OF COMPANY AFFAIRS

The gross revenue and other income for the financial year under review were ₹ 545.64 crore as against ₹ 332.21 crore for the previous financial year registering an increase of 64.24%. The loss before tax from continuing operations including extraordinary and exceptional items was ₹ 0.53 crore and the loss after tax from continuing operations including extraordinary and exceptional items of ₹ 0.53 crore for the financial year under review as against ₹ 1.08 crore and ₹ 1.08 respectively for the previous financial year, registering an decrease of 50.27% and 50.27% respectively.

CAPITAL & FINANCE

The Company has not raised funds via issue of Non-Convertible debentures or long term foreign currency loans.

CAPITAL EXPENDITURE

As at March 31, 2017 the gross fixed and intangible assets including under development leased assets, stood at ₹ 1030.61 crore and the net fixed and intangible assets, including leased assets stood at ₹ 1030.34 crore. Capital Expenditure during the year amounted to ₹ 448.66 crore. Net of Government grant of ₹ 147.86 crore.

DEPOSITS

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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

SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

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

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

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

AMOUNT TO BE CARRIED TO RESERVE

The Company incurred a loss during the financial year and no appropriation of profits to any specific reserve has been made.

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 and commitments have occurred affecting the financial position of the Company between the end of the financial year and the date of this report.

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

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

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

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

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

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 minimisation 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 your Company does not exceed any of the threshold limits specified under section 135 of the Act, the provisions of Corporate Social Responsibility are not applicable.

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

Mr.Manoj Kumar Singh, Director, who retired by rotation at the Annual General Meeting held on September 28, 2016 was reappointed as a Director of the Company.

Mr.Arun Kumar Jha resigned as Director of the Company on January 16, 2017.

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

S. No.	Name	Designation	DIN
1	Mr.Karthikeyan.T.V	Director	01367727
2	Mr.Mathew George	Director	07402208
3	Mr.Manoj Kumar Singh	Director	05228599
4	Dr.A.Veeraragavan	Independent Director	07138615
5	Mrs.Samyuktha Surendran	Independent Director Woman Director	07138327

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

S. No.	Name	Designation	Date of Appointment
1	Mr.S.D.Mahaveer	Manager	28/10/2014
2	Mr.K.C.Raman	Chief Financial Officer	28/03/2016
3	Ms.Sipra Paul	Company Secretary	16/01/2017

*Ms.Sipra Paul has resigned as CS with effect from April 26, 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 as per business requirement. During the year under review 6(six) Meetings were held on the following dates.

Date	Board Strength	No of Directors Present
April 26, 2016	5	4
June 24, 2016	5	3
July 14, 2016	5	3
October 18, 2016	6	4
January 16, 2017	6	4
March 15, 2017	5	4

The Agenda of the Meeting is circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal.

INFORMATION TO THE BOARD

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

- Annual revenue budgets and capital expenditure plans
- Quarterly financials and results of operations
- Financing plans of the Company
- Minutes of the meeting of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee
- Report on fatal or serious accidents
- Any materially relevant default, if any, in financial obligations to and by the Company
- Any issue which involves possible 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 (minutes of meetings are circulated to the Board). Presentations, inter alia cover business strategies, management structure, HR policy, management development and planning, half-yearly and annual results, budgets, treasury, review of Internal Audit, risk management, operations of subsidiaries and associates, etc. Independent Directors have the freedom to interact with the Company's management.

AUDIT COMMITTEE

The Company has constituted an Audit Committee in terms of the requirements of the Act. The Members of the Audit Committee are Dr.A.Veeraragavan, Mrs.Samyuktha Surendran and Mr.Mathew George.

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 of the Committee	No. of members Present
April 26, 2016	3	2
July 14, 2016	3	2
October 18, 2016	3	3
January 16, 2017	3	3
March 15, 2017	3	3

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

COMPANY POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION

The Company has constituted the Nomination and Remuneration Committee in accordance with the requirements of the Act comprising of Dr.A.Veeraragavan, Mrs.Samyuktha Surendran and Mr.Mathew George.

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

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

Date	Strength of the Committee	No. of members Present
July 14, 2016	3	2
January 16, 2017	3	3

The Committee has formulated a policy on Director's appointment and remuneration including recommendation of appointment of the key managerial personnel and other employees and the criteria for determining qualifications, positive attributes and independence of a Director.

DECLARATION OF INDEPENDENCE

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

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 07, 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 July 14, 2016 which has been adopted by the Company. The policy has been widely disseminated. There were no cases of sexual harassment during FY 2016-17.

AUDITORS

Statutory auditors

The Company in the 2nd Annual General Meeting held on September 25, 2015 for the Financial Year 2015-16 had appointed M/s.M.K.Dandeker & Co, Chartered Accountants, (Firm Reg no: 000679S), No. 244 (Old No. 138), II Floor, Angappa Naicken Street, Chennai - 600 001, as Statutory Auditors of the Company to hold office from the conclusion of that Annual General Meeting until the conclusion of the Annual General Meeting of the Company to be held during the year 2020.

The Board recommends the ratification of the appointment of M/s.M.K.Dandeker & 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.Balaji & Associates, 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 M/s.Balaji & Associates (C.O.P.No.6965), Proprietor of the firm is attached to this Report as **Annexure II.**

EXTRACT OF ANNUAL RETURN

The extract of the annual return in Form No. MGT - 9 is enclosed to this Report as **Annexure III**.

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	**MATHEW GEORGE**
Place : Chennai	*Director*	*Director*
Date : April 28, 2017	*DIN: 01367727*	*DIN :07402208*

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**

Name of the related party	Nature of relationship	Nature of contract/ arrangement/ transactions	Duration of contract/ arrangement/ transactions	Salient terms of contract/ arrangement/ transactions	Amount paid as advance
L&T Infrastructure Development Projects Limited (L&T IDPL)	Holding Company	Engineering, Procurement and Construction works	For a continuous period till the Completion of Work unless terminated	Design, execution and completion of construction work and remedying defects	Nil
Larsen & Toubro Limited (L&T Limited)	Ultimate Holding Company	Assistance in employee payouts	For a continuous period unless terminated or the Company ceases to be a part of L&T IDPL Group	Assistance in pay roll processing, reimbursement of employee benefit claims, Employee Travel Expense Management, payment voucher etc.	Nil
L&T Limited	Ultimate Holding Company	Payment of rent	For a continuous period till cancellation	Occupation and use of the premises	Nil
L&T Limited	Ultimate Holding Company	Engineering, Procurement and Construction works for change of scope related	For a continuous period till the Completion of Work unless terminated	Design, execution and completion of construction work and remedying defects	Nil

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

For and on behalf of the Board

KARTHIKEYAN.T.V	**MATHEW GEORGE**
Director	*Director*
DIN: 01367727	*DIN :07402208*

Place : Chennai
Date : April 28, 2017

ANNEXURE II

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,
M/S. L&T SAMBALPUR - ROURKELA TOLLWAY LIMITED,
Chennai.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. L&T SAMBALPUR - ROURKELA TOLLWAY LIMITED** (CIN:U45206TN2013PLC093395) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s.L&T SAMBALPUR - ROURKELA TOLLWAY LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31/03/2017 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31/03/2017 according to the provisions of (i) The Companies Act, 2013 (the Act) and the rules made thereunder (ii) The National Highways Authority of India Act, 1988.

M/s L&T SAMBALPUR - ROURKELA TOLLWAY LIMITED is an unlisted public limited company and hence compliance under the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz: (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 are not attracted.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India and during the period under review, the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc as mentioned above.

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

– that the company has appointed the Company Secretary as required under the provisions of Section 203 read with Rule 8A of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 on 16/01/2017.

Further that the management of the Company as informed that all the Related Party Transactions entered by the Company during the period under review have been entered at Arm's Length Basis and therefore, compliance of provisions of Companies Act, 2013 in respect of any of these transactions do not arise.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors 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 at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

In respect of resolution passed in circulation, the company followed a healthy system of circulating the detailed agenda to all the Directors in a single file system, followed by placing the concerned agenda in the subsequent meeting.

A review of the minutes of the Board meetings held during the year indicate that wherever required detailed deliberations were carried out in respect of all the agenda items that were required to be so carried out and there were no dissenting views in respect of any of the items.

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

I further report that during the audit period the company has obtained the approval of its members for the following major items:

– in the Extra-Ordinary General Meeting held on 02/12/2016 increase of Authorised

Capital from ₹ 290.02 crore to ₹ 290.5 crore was approved.

I further report that during the audit period under review, the Board of Directors of the Company has allotted the following equity shares to M/s. L&T Infrastructure Development Projects Limited by Circular Resolutions:

Number of equity shares	Face Value (Rupees)	Total Value of shares (Rupees)	Date of approval
3,60,00,000	10	36,00,00,000	27/06/2016
3,81,70,000	10	38,17,00,000	11/08/2016
10,000	10	1,00,000	24/01/2017

I further report that my audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliances by the Company and I am not responsible for any lapses in those compliances on the part of the Company.

M. BALAJI RAJAN
Practicing Company Secretary
C. P. No. 6965

Place : Chennai
Date : 20/04/2017

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To
The Members,
M/s.L&T Sambalpur-Rorkela Tollway Limited,
Chennai

Our report of even date, it is to be read along with this supplementary testimony:

a) Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Record based on our audit

b) We have followed the audit practices and processes that were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a 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.

c) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

d) Wherever required, we have obtained Management representation about the compliance of laws, rules and regulation and happenings of events etc.

e) The Compliance of the provisions of corporate and other applicable laws, rules and regulation, standards is the reasonability of management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company.

M. BALAJI RAJAN
Practicing Company Secretary
C. P. No. 6965

Place : Chennai
Date : 20/04/2017

ANNEXURE III

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2017

[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	U45206TN2013PLC093395
Registration Date	18/10/2013
Name of the Company	L&T Sambalpur - Rourkela Tollway Limited
Category / Sub-Category of the Company	Company Limited By Shares/Indian Non-Government Company
Address of the Registered office and contact details	Mount Poonamallee Road, Manapakkam, Chennai- 600089
Whether listed company Yes / No	NO
Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways	42101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. No	Name And Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of Shares held	Applicable Section
1	L&T Infrastructure Development Projects Limited	U65993TN2001PLC046691	Holding	99.99%	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.	–	215849998*	215849998*	99.99	–	290029998*	290029998*	99.99	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other….	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	**–**	**215849998***	**215849998***	**99.99**	**–**	**290029998***	**290029998***	**99.99**	**–**
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)	**–**	**215849998***	**215849998***	**99.99**	**–**	**290029998***	**290029998***	**99.99**	**–**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	–	–	–	–	–	–	–	–	–
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):-									
2) Non-Institutions									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	–	2	2	0.01	–	2	2	0.01	–
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B) (2):-	**–**	**2**	**2**	**0.01**	**–**	**2**	**2**	**0.01**	**–**
Total shareholding of Promoter (B) = (B)(1)+(B)(2)	**–**	**2**	**2**	**0.01**	**–**	**2**	**2**	**0.01**	**–**
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	**–**	**215850000***	**215850000***	**100**	**–**	**290030000***	**290030000***	**100**	**–**

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

(ii) Shareholding of Promoters

Sl No	Shareholders Name	No. of Shares held as on April 1, 2016			No. of Shares held as on March 31, 2017			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Share	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	L&T Infrastructure Development Projects Limited (with nominees)	215849998	99.99%	–	290029998	99.99%	0.00%	34.37%
	Total	**215849998**	**99.99%**	**–**	**290029998**	**99.99%**	**0.00%**	**34.37%**

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	As on April 1, 2016	215849998	99.99%	215849998	99.99%
2.	Allotment on June 27, 2016	36000000	14.29%	251849998	99.99%
3.	Allotment on August 11, 2016	38170000	13.16%	290019998	99.99%
4.	Allotment on January 01, 2017	10000	0.0%	290029998	99.99%
5.	As on March 31, 2017	290029998	99.99%	290029998	99.99%

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	2	0.01	2	0.01
2.	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer /bonus/ sweat equity etc.):	–	–	–	–
3.	At the End of the year (or on the date of separation, if separated during the year)	2	0.01	2	0.01

(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 ₹ Crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	391.95	–	–	391.95
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**391.95**	**–**	**–**	**391.95**
Change in Indebtedness during the financial year				
Addition	391.88	–	–	391.88
Reduction	–	–	–	–
Net Change	**391.88**	**–**	**–**	**391.88**
Indebtedness at the end of the financial year				
i) Principal Amount	783.83	–	–	783.83
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**783.83**	**–**	**–**	**783.83**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Manager: Mr. Mahaveeer Shartappa Dasharthna	
1.	Gross salary	37,48,763	37,48,763
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission		
	– as % of profit		
	– Others, specify…	–	–
5.	Others, please specify	–	–
	Total (A)	**37,48,763**	**37,48,763**
	Ceiling as per the Act	**120,40,030**	**120,40,030**

B. Remuneration to other directors:

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
		Dr. A. Veeraragavan	Ms.Samyuktha Surendran	
1	Independent Directors			
	Fee for attending Board Meeting	1,50,000	1,50,000	3,00,000
	Fee for attending Committee Meeting	70,000	70,000	1,40,000
	Commission	–	–	–
	Others	–	–	–
	Total (1)	**2,20,000**	**2,20,000**	**4,40,000**
2.	Other Non - Executive Directors 1. Mr. Manoj Kumar Singh 2. Mr. Mathew George 3. Mr. Arun Kumar Jha 4. Mr.Karthikeyan.T.V			–
	No Fee for attending Board Meeting / Committee Meeting and No Commission			–
	Total (2)			**–**
	Total (B)=(1+2)	**2,20,000**	**2,20,000**	**4,40,000**
	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.

Mr.K.C.Raman, CFO is employed by the Holding Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

KARTHIKEYAN.T.V
Director
DIN: 01367727

MATHEW GEORGE
Director
DIN :07402208

Place : Chennai
Date : April 28, 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF L&T SAMBALPUR - ROURKELA TOLLWAY LIMITED

REPORT ON THE IND AS FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of **L&T Sambalpur – Rourkela 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 statement of Changes in Equity, the Cash Flow Statement 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 IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on 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 of the Company as at 31st March 2017, its financial performance including Other Comprehensive Income, changes in equity and its cash flows 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 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the said order.
2. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, the statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.

   (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 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 Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note C (19) to the Ind AS financial statements.

For M.K.Dandeker & Co.,
Chartered Accountants
(ICAI Reg. No. 000679S)

S. POOSAIDURAI
Partner
Membership No. 223754

Place : Chennai
Date : April 28, 2017

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

1. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

   b. The Fixed Assets have been physically verified by the Management at regular Intervals and no material discrepancies were noticed on such verification.

   c. The Company does not have any immovable properties and hence clause 3 (i)(c) of the Companies (Auditor's Report) Order 2016 is not applicable.

2. The Company is engaged in the business of infrastructure development and maintenance and hence clause 3 (ii) of the Companies (Auditor's Report) Order 2016 relating to inventory is not applicable.

3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

4. According to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 are complied with in respect of loans, investments, guarantees and securities given by the Company, if any.

5. The Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.

6. The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act is not applicable to the Company.

7. a. According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.

   b. According to the information and explanation given to us, the Company has no statutory dues which have not been deposited on account of disputes.

8. The Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders.

9. The moneys raised by way of term loans were applied for the purposes for which those are raised.

10. Based on the information and explanation given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

11. According to the information and explanations given to us and based on our examination of the records of the Company, the 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.

12. The Company is not a Nidhi Company and hence clause3 (xii) of the Companies (Auditor's Report) Order 2016 is not applicable.

13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M.K.Dandeker & Co.,
Chartered Accountants
(ICAI Reg. No. 000679S)

S. POOSAIDURAI
Partner
Membership No. 223754

Place : Chennai
Date : April 28, 2017

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

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

We have audited the internal financial controls over financial reporting of **L&T Sambalpur – Rourkela Tollway Limited** ("the Company") as of March 31, 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 (the "Guidance Note"). 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 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For M.K.Dandeker & Co.,
Chartered Accountants
(ICAI Reg. No. 000679S)

S. POOSAIDURAI
Partner
Membership No. 223754

Place : Chennai
Date : April 28, 2017

BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note No.	As at 31-03-2017 ₹	As at 31-03-2016 ₹	As at 01-04-2015 ₹
ASSETS				
(1) Non-current assets				
a) Property, Plant and Equipment	1	4,385,328	3,920,267	4,945,292
b) Intangible assets under development	2	10,299,001,726	5,812,430,749	1,705,030,169
c) Financial Assets				
i) Loans	3	950,250	59,100	59,100
d) Other non-current assets	4	175,769,634	845,363,223	1,282,032,844
		10,480,106,938	6,661,773,339	2,992,067,405
Current assets				
a) **Financial Assets**				
i) Investments	5	228,189,329	26,531,756	67,257,109
ii) Cash and bank balances	6	348,106,580	2,070,362	146,910,053
b) Current Tax Assets (net)	4	5,989,084	1,238,175	81,011
c) Other current assets	4	315,355,408	99,957,314	1,124,727
		897,640,401	129,797,607	215,372,900
TOTAL		11,377,747,339	6,791,570,946	3,207,440,305
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share capital	7	2,900,300,000	2,158,500,000	963,500,000
b) Other Equity	8	(29,707,639)	(24,452,358)	(13,625,144)
		2,870,592,361	2,134,047,642	949,874,856
LIABILITIES				
(1) Non-current liabilities				
a) Financial liabilities				
i) Borrowings	9	7,829,404,488	3,913,743,610	1,646,677,334
b) Provisions	10	4,872,920	8,369,746	2,168,467
		7,834,277,408	3,922,113,356	1,648,845,801
Current liabilities				
a) **Other current liabilities**	11	666,296,798	732,418,516	608,578,575
b) Provisions	10	6,580,772	2,991,432	141,073
		672,877,570	735,409,948	608,719,648
Total Equity and Liabilities		11,377,747,339	6,791,570,946	3,207,440,305
Contingent Liabilities	A			
Commitments	B			
Other Notes Forming part of Accounts	C			
Significant Accounting Policies	D			

As per our report attached
M. K. DANDEKER & CO.
Chartered Accountants
(Firm Registration No. 000679S)

by the hand of
S. POOSAIDURAI
Partner
Membership No. 223754

Place : Chennai
Date : April 28, 2017

For and on behalf of the Board

K. C. RAMAN
Chief Financial Officer

KARTHIKEYAN T. V.
Director
DIN: 01367727

MATHEW GEORGE
Director
DIN: 07402208

Place : Chennai
Date : April 28, 2017

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

Particulars	Note No.	2016-17 ₹	2016-17 ₹	*2015-16* ₹	*2015-16* ₹
REVENUE					
Construction contract revenue			**5,453,148,518**		*3,314,500,801*
Other income	**12**		**3,216,497**		*7,601,153*
Total income			**5,456,365,015**		*3,322,101,954*
EXPENSES					
Construction contract expenses			**5,453,148,518**		*3,314,500,801*
Employee benefit expense	**13**		**3,026,401**		*1,926,469*
Finance costs	**14**		**3,158,468**		*7,194,208*
Administration and other expenses	**15**		**2,286,907**		*9,307,692*
Total expenses			**5,461,620,294**		*3,332,929,170*
Profit/(loss) before exceptional items and tax			**(5,255,279)**		*(10,827,216)*
Exceptional items			**–**		*–*
Profit/(loss) before tax			**(5,255,279)**		*(10,827,216)*
Tax Expenses			**–**		*–*
Profit/(loss) for the year			**(5,255,279)**		*(10,827,216)*
Other comprehensive income			**–**		*–*
Total comprehensive income for the year			**(5,255,279)**		*(10,827,216)*
Earnings per equity share (Basic and Diluted)	**C (9)**		**(0.02)**		*(0.08)*
Face value per equity share			**10.00**		*10.00*

As per our report attached
M. K. DANDEKER & CO.
Chartered Accountants
(Firm Registration No. 000679S)

by the hand of
S. POOSAIDURAI
Partner
Membership No. 223754

Place : Chennai
Date : April 28, 2017

For and on behalf of the Board

K. C. RAMAN
Chief Financial Officer

KARTHIKEYAN T. V.
Director
DIN: 01367727

MATHEW GEORGE
Director
DIN: 07402208

Place : Chennai
Date : April 28, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	Particulars	2016-17 ₹	2015-16 ₹
A	**Net profit / (loss) before tax and extraordinary items**	**(5,255,279)**	*(10,827,216)*
	Adjustments for		
	Interest expense	**338,914,403**	*200,367,879*
	Interest income	**(66,835)**	*(167,808)*
	(Profit)/loss on sale of current investments(net)	**(2,445,508)**	*(5,727,710)*
	(Profit)/loss on sale of fixed assets	**(35,785)**	*(40,054)*
	Operating profit before working capital changes	**331,110,996**	*183,605,091*
	Adjustments for:		
	Increase / (Decrease) in long term provisions	**(3,496,826)**	*6,201,279*
	Increase / (Decrease) in other current liabilitites	**(66,121,718)**	*123,839,941*
	Increase / (Decrease) in short term provisions	**3,589,340**	*2,850,359*
	(Increase) / Decrease in loan term loans and advances	**(891,150)**	–
	(Increase) / Decrease in other non-current assets	**669,593,589**	*436,669,621*
	(Increase) / Decrease in other current assets	**(215,398,094)**	*(98,832,587)*
	Net cash generated from/(used in) operating activities	**718,386,137**	*654,333,704*
	Net income tax (paid)/refunds	**(4,750,909)**	*(1,157,164)*
	Net Cash(used in)/generated from Operating Activities	**713,635,228**	*653,176,540*
B	**Cash flow from investing activities**		
	Purchase of fixed assets	**(4,487,106,262)**	*(4,106,390,322)*
	Sale of fixed assets	**106,009**	*54,821*
	Purchase of current investments	**(790,650,000)**	*(932,730,000)*
	Sale of current investments	**591,437,933**	*979,183,063*
	Interest received	**66,835**	*167,808*
	Net cash (used in)/generated from investing activities	**(4,686,145,485)**	*(4,059,714,630)*
C	**Cash flow from financing activities**		
	Proceeds from issue of equity shares	**741,800,000**	*1,195,000,000*
	Repayment of long term borrowings	**2,619,389,709**	*520,589,417*
	Proceeds/repayment from/of Letter of Credit	**1,299,475,121**	*1,748,977,311*
	Interest paid	**(342,118,355)**	*(202,868,329)*
	Net cash (used in)/generated from financing activities	**4,318,546,475**	*3,261,698,399*
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**346,036,218**	*(144,839,691)*
	Cash and cash equivalents as at the beginning of the year	**2,070,362**	*146,910,053*
	Cash and cash equivalents as at the end of the year	**348,106,580**	*2,070,362*

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
M. K. DANDEKER & CO.
Chartered Accountants
(Firm Registration No. 000679S)

by the hand of
S. POOSAIDURAI
Partner
Membership No. 223754

Place : Chennai
Date : April 28, 2017

For and on behalf of the Board

K. C. RAMAN
Chief Financial Officer

KARTHIKEYAN T. V.
Director
DIN: 01367727

MATHEW GEORGE
Director
DIN: 07402208

Place : Chennai
Date : April 28, 2017

NOTES FORMING PART OF ACCOUNTS

NOTE 1

PROPERTY, PLANT AND EQUIPMENT

2016-17 (Amount in ₹)

Particulars	At cost				Depreciation				Book Value	
	As at April 01, 2016	Additions	Disposals	As at March 31, 2017	As at April 01, 2016	For the year	On disposals	As at March 31, 2017	As at March 31, 2017	As as March 31, 2016
Owned										
Furniture and fixtures	1,599,911	–	–	1,599,911	197,876	199,288	–	397,164	1,202,747	1,402,035
Office equipment	1,661,594	54,024	–	1,715,618	341,273	453,613	–	794,886	920,732	1,320,321
Air conditioning and Refrigeration	1,079,413	–	–	1,079,413	576,197	345,985	–	922,182	157,231	503,216
Computers, laptops and printers	1,279,345	2,133,226	632,979	2,779,592	584,650	653,079	562,755	674,974	2,104,618	694,695
Total	**5,620,263**	**2,187,250**	**632,979**	**7,174,534**	**1,699,996**	**1,651,965**	**562,755**	**2,789,206**	**4,385,328**	**3,920,267**

2015-16 (at cost or deemed cost) (Amount in ₹)

Particulars	At cost				Depreciation				Book Value	
	As at April 01, 2015	Additions	Deductions	As at March 31, 2016	As at April 01, 2015	For the year	Deductions	As at March 31, 2016	As at March 31, 2016	As at April 01, 2015
Owned										
Furniture and fixtures	1,599,911	–	–	1,599,911	–	197,876	–	197,876	1,402,035	1,599,911
Office equipment	1,561,548	173,221	73,175	1,661,594	–	341,273	–	341,273	1,320,321	1,561,548
Air conditioning and Refrigeration	833,264	254,880	8,731	1,079,413	–	576,197	–	576,197	503,216	833,264
Computers, laptops and printers	950,569	514,955	186,179	1,279,345	–	837,968	253,318	584,650	694,695	950,569
Total	**4,945,292**	**943,056**	**268,085**	**5,620,263**	**–**	**1,953,314**	**253,318**	**1,699,996**	**3,920,267**	**4,945,292**
Previous year				*4,945,292*				–		

NOTE 2

INTANGIBLE ASSETS UNDER DEVELOPMENT

2016-17 (Amount in ₹)

Particulars	At cost				Amortisation				Book Value	
	As at April 01, 2016	Additions	Disposals	As at March 31, 2017	As at April 01, 2016	For the year	On disposals	As at March 31, 2017	As at March 31, 2017	As as March 31, 2016
Construction cost	5,280,109,097	3,847,209,158		9,127,318,255				–	9,127,318,255	5,280,109,097
Pre-operative expenses pending allocation	532,321,652	639,361,819		1,171,683,471				–	1,171,683,471	532,321,652
Total	**5,812,430,749**	**4,486,570,977**	**–**	**10,299,001,726**	**–**	**–**	**–**	**–**	**10,299,001,726**	**5,812,430,749**

2015-16 (Amount in ₹)

Particulars	At cost				Amortisation				Book Value	
	As at April 01, 2015	Additions	Deductions	As at March 31, 2016	As at April 01, 2015	For the year	Deductions	As at March 31, 2016	As at March 31, 2016	As at April 01, 2015
Construction cost	1,537,175,982	3,742,933,115		5,280,109,097	–	–	–	–	5,280,109,097	1,537,175,982
Pre-operative expenses pending allocation	167,854,187	364,467,465		532,321,652	–	–	–	–	532,321,652	167,854,187
Total	**1,705,030,169**	**4,107,400,580**	**–**	**5,812,430,749**	**–**	**–**	**–**	**–**	**5,812,430,749**	**1,705,030,169**
Previous year	–	*1,705,030,169*	–	*1,705,030,169*	–	–	–	–	*1,705,030,169*	–

NOTES FORMING PART OF ACCOUNTS (Contd.)

NOTE 2a

INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	*As at April 01, 2016* ₹	**2016-17** ₹	**As at March 31, 2017** ₹
a) Construction cost			
EPC cost	*5,280,109,097*	**5,301,960,583**	**10,582,069,680**
Other works - Toll plaza	*–*	**23,859,658**	**23,859,658**
Less:			
Grant received from Dept of Economic Affairs	*–*	**1,478,611,083**	**1,478,611,083**
Total (a)	*5,280,109,097*	**3,847,209,158**	**9,127,318,255**
b) Pre-operative expenses pending allocation			
Concession Fee	*2*	**1**	**3**
Insurance	*3,557,468*	**1,980,115**	**5,537,583**
Repairs and maintenance			
Plant and machinery	*–*	**67,262**	**67,262**
Others	*22,505,046*	**13,099,872**	**35,604,918**
Power and fuel	*349,434*	**179,443**	**528,877**
Depreciation and amortisation	*3,990,036*	**1,651,969**	**5,642,005**
Salaries and wages	*89,986,349*	**41,856,211**	**131,842,560**
Contribution and provisions for			
Provident fund	*3,789,082*	**1,841,999**	**5,631,081**
Gratuity	*2,449,728*	**790,971**	**3,240,699**
Compensated absences	*5,550,647*	**1,273,132**	**6,823,779**
Retention Pay	*3,360,803*	**692,794**	**4,053,597**
Staff Welfare Expenses	*3,521,859*	**1,952,756**	**5,474,615**
Interest on borrowings (term loans)	*296,135,496*	**510,381,573**	**806,517,069**
Bank charges and bank guarantee charges	*11,261,373*	**14,925,708**	**26,187,081**
Finance Charges Others	*30,914,730*	**2,012,500**	**32,927,230**
Rent, rates and taxes	*2,318,699*	**2,007,707**	**4,326,406**
Professional fees	*28,787,464*	**21,394,949**	**50,182,413**
Postage and Communication expenses	*2,978,046*	**1,796,662**	**4,774,708**
Printing and Stationery	*1,227,844*	**339,483**	**1,567,327**
Travelling and conveyance	*24,468,397*	**15,522,586**	**39,990,983**
Safety Fund	*–*	**5,170,895**	**5,170,895**
Miscellaneous expenses	*1,732,451*	**423,231**	**2,155,682**
Other income	*6,563,300*	**–**	**6,563,300**
Total (b)	*532,321,652*	**639,361,819**	**1,171,683,471**
Grand Total (a+b)	*5,812,430,749*	**4,486,570,977**	**10,299,001,726**

NOTE 3

LOANS

Particulars	**March 31, 2017** Current ₹	Non-current ₹	Total ₹	*March 31, 2016* *Current* ₹	*Non-current* ₹	*Total* ₹	*April 01, 2015* *Current* ₹	*Non-current* ₹	*Total* ₹
a) Security deposits									
Unsecured, considered good	**–**	**950,250**	**950,250**	*–*	*59,100*	*59,100*	*–*	*59,100*	*59,100*
	–	**950,250**	**950,250**	*–*	*59,100*	*59,100*	*–*	*59,100*	*59,100*

NOTES FORMING PART OF ACCOUNTS (Contd.)

NOTE 4

OTHER NON-CURRENT AND CURRENT ASSETS

Particulars	March 31, 2017 Current	Non-current	Total	March 31, 2016 Current	Non-current	Total	April 01, 2015 Current	Non-current	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Capital advances									
For intangible assets under development	–	175,769,634	175,769,634	–	844,339,803	844,339,803	–	1,281,890,000	1,281,890,000
Advances other than capital advances									
Advances to employees	1,026,370	–	1,026,370	–	1,023,420	1,023,420	–	142,844	142,844
Other advances	133,966,907	–	133,966,907	96,594,633	–	96,594,633	243,034	–	243,034
Others									
Prepaid expenses	908,958	–	908,958	919,893	–	919,893	719,671	–	719,671
VAT recoverable	3,460,459	–	3,460,459	2,442,788	–	2,442,788	162,022	–	162,022
Receivable on utility shifting from NHAI	175,992,714	–	175,992,714	–	–	–	–	–	–
	315,355,408	175,769,634	491,125,042	99,957,314	845,363,223	945,320,537	1,124,727	1,282,032,844	1,283,157,571
Current tax assets (Net)									
Income tax net of provisions	5,989,084	–	5,989,084	1,238,175	–	1,238,175	81,011	–	81,011
	5,989,084	–	5,989,084	1,238,175	–	1,238,175	81,011	–	81,011

NOTE 5

INVESTMENTS

Particulars	As at March 31, 2017 Quantity Units	Current ₹	As at March 31, 2016 Quantity Units	Current ₹	As at April 01, 2015 Quantity Units	Current ₹
Investments (quoted)						
Mutual funds		228,189,329		26,531,756		67,257,109
		228,189,329		26,531,756		67,257,109
Aggregate value of quoted investments						
L&T Liquid Fund - Growth	–	–	4,001	8,283,386	1,858	5,754,457
UTI Liquid Fund - Growth	–	–	–	–	2,280	61,058,843
IDFC Cash Fund - Growth	10,303	20,211,622	–	–	–	–
Releigare Invesco Liquid Fund - Growth	–	–	434	886,676	–	–
SBI Premier Liquid Fund -Regular Plan -Growth	58,950	150,000,000	7,293	17,102,246	–	–
ICICI Prudential Fund	58,397	14,000,000	–	–	–	–
Reliance Liquity Fund -Growth	17,936	43,593,049	–	–	–	–
Total		227,804,670		26,272,308		66,813,300
Aggregate market value of above						
L&T Liquid Fund - Growth	–	–	4,001	8,298,995	1,858	5,935,949
UTI Liquid Fund - Growth	–	–	–	–	2,280	61,321,160
IDFC Cash Fund - Growth	10,303	20,305,715	–	–	–	–
Releigare Invesco Liquid Fund - Growth	–	–	434	903,175	–	–
SBI Premier Liquid Fund -Regular Plan -Growth	58,950	150,068,483	7,293	17,329,586	–	–
ICICI Prudential Fund	58,397	14,024,351	–	–	–	–
Reliance Liquity Fund -Growth	17,936	43,790,780	–	–	–	–
Total		228,189,329		26,531,756		67,257,109

NOTES FORMING PART OF ACCOUNTS (Contd.)

NOTE 6

CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹	As at April 01, 2015 ₹
a) Balances with banks			
Trust retention and escrow accounts	**347,625,380**	*1,982,016*	*145,911,739*
Other accounts	**481,200**	*88,346*	*998,314*
	348,106,580	*2,070,362*	*146,910,053*

At 31 March 2017, the Company had available ₹ 233.46 Cr (31 March 2016 ₹ 625.04 Cr, 1 April 2015 ₹ 851.73 Cr) of undrawn committed borrowing facilities.

The trust retention and escrow accounts carry a First charge to the extent of amount payable as per the waterfall mechanism as defined in the Concession agreement / Common loan agreement. As at March 31, 2017 there were no amounts included in this which are restricted/earmarked for any specific purposes by virtue of the said waterfall mechanism.

NOTE 7

SHARE CAPITAL

(i) Authorised, issued, subscribed and paid up

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	₹	No. of shares	₹	No. of shares	₹
Authorised:						
Equity shares of ₹ 10 each	**290,030,000**	**2,900,300,000**	*290,020,000*	*2,900,200,000*	*180,000,000*	*1,800,000,000*
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each	**290,030,000**	**2,900,300,000**	*215,850,000*	*2,158,500,000*	*96,350,000*	*963,500,000*

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	₹	No. of shares	₹	No. of shares	₹
At the beginning of the year	**290,020,000**	**2,900,200,000**	*180,000,000*	*1,800,000,000*	*550000*	*5,500,000*
Issued during the year as fully paid	**10,000**	**100,000**	*110,020,000*	*1,100,200,000*	*179,450,000*	*1,794,500,000*
At the end of the year	**290,030,000**	**2,900,300,000**	*290,020,000*	*2,900,200,000*	*180,000,000*	*1,800,000,000*

(iv) Terms / rights attached to shares

Equity shares

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

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

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

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

(v) Details of Shares held by Holding Company/Ultimate Holding Company/its subsidiaries or associates:

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	₹	No. of shares	₹	No. of shares	₹
L&T Infrastructure Development Projects Limited	**290,029,998**	**2,900,299,980**	*215,849,998*	*2,158,499,980*	*96,349,998*	*963,499,980*
	290,029,998	**2,900,299,980**	*215,849,998*	*2,158,499,980*	*96,349,998*	*963,499,980*

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

Particulars	As at March 31, 2017		*As at March 31, 2016*		*As at April 01, 2015*	
	No. of shares	₹	*No. of shares*	₹	*No. of shares*	₹
L&T Infrastructure Development Projects Limited	**290,029,998**	**99.99%**	*215,849,998*	*99.99%*	*96,349,998*	*99.99%*

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

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

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

NOTE 8

OTHER EQUITY AS ON 31.03.2017

Particulars	Share application money pending allotment.	Retained earnings	Total
Balance at the beginning of the year	–	(24,452,360)	(24,452,360)
Total comprehensive income for the year	–	(5,255,279)	(5,255,279)
Balance at the end of the year	–	(29,707,639)	(29,707,639)

OTHER EQUITY AS ON 31.03.2016

Particulars	Share application money pending allotment.	Retained earnings	Total
Changes in accounting policy or prior period issues	–	(13,625,144)	(13,625,144)
Total comprehensive income for the year	–	(10,827,216)	(10,827,216)
Balance at the end of the year	–	(24,452,360)	(24,452,360)

NOTE 9

BORROWINGS

Particulars	March 31, 2017			*March 31, 2016*			*April 01, 2015*		
	Current ₹	Non-current ₹	Total ₹	*Current* ₹	*Non-current* ₹	*Total* ₹	*Current* ₹	*Non-current* ₹	*Total* ₹
Secured borrowings									
a) Term loans									
i) From banks	**–**	**7,829,404,488**	**7,829,404,488**	–	*3,913,743,610*	*3,913,743,610*	–	*1,646,677,334*	*1,646,677,334*
	–	**7,829,404,488**	**7,829,404,488**	–	*3,913,743,610*	*3,913,743,610*	–	*1,646,677,334*	*1,646,677,334*

Details of long term borrowings

Particulars	Effective interest rate	Terms of repayment
Term loans from banks	11.27%	Repayable in 132 unequal monthly instalments commencing from May, 2018.

Nature of security for term loans/debentures

(i) Secured by first charge by way of hypothecation on all movable/immovable assets of the Company, both present and future, excluding Project assets as defined in the Concession Agreement.

(ii) First charge on Project book debts, operating cash flows, receivables, commissions, insurance proceeds, revenues of whatsoever nature and wherever arising, present and future.

(iii) Assignment of all the rights, title, interest, benefits, claims and demands, whatsoever of the company.

(iv) Escrow account to the extent of waterfall of priorities of payment as permitted to the lenders under Escrow Agreement.

(v) Debt Service Coverage Ratio Support Amount.

(vi) First charge of all the Company's rights, interests related to the proposed project under the letter of credit (if any), guarantee or performance bond provided by any party.

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Long term borrowings	7,829,404,488	3,913,743,610	1,646,677,334
Current maturities of long term borrowings	–	–	–

NOTE 10

PROVISIONS

Particulars	March 31, 2017 Current	March 31, 2017 Non-current	March 31, 2017 Total	*March 31, 2016 Current*	*March 31, 2016 Non-current*	*March 31, 2016 Total*	*April 01, 2015 Current*	*April 01, 2015 Non-current*	*April 01, 2015 Total*
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Provision for employee benefits									
Gratuty - Net of plan assets	**576,316**	**–**	**576,316**	*116,879*	*2,332,849*	*2,449,728*	*30,983*	*1,576,334*	*1,607,317*
Leave Encashment	**4,147,685**	**2,676,094**	**6,823,779**	*2,874,553*	*2,676,094*	*5,550,647*	*110,090*	*592,133*	*702,223*
Retention Pay	**1,856,771**	**2,196,826**	**4,053,597**	–	*3,360,803*	*3,360,803*	–	–	–
	6,580,772	**4,872,920**	**11,453,692**	*2,991,432*	*8,369,746*	*11,361,178*	*141,073*	*2,168,467*	*2,309,540*

NOTE 11

OTHER NON-CURRENT AND CURRENT LIABILITIES

Particulars	March 31, 2017 Current	March 31, 2017 Non-current	March 31, 2017 Total	*March 31, 2016 Current*	*March 31, 2016 Non-current*	*March 31, 2016 Total*	*April 01, 2015 Current*	*April 01, 2015 Non-current*	*April 01, 2015 Total*
	₹	₹	₹	₹	₹	₹	₹	₹	₹
i) Other liabilities	**326,946,766**	**–**	**326,946,766**	*32,877,728*	–	*32,877,728*	*14,927,739*	–	*14,927,739*
ii) Statutory payables	**51,825,666**	**–**	**51,825,666**	*14,227,019*	–	*14,227,019*	*25,976,259*	–	*25,976,259*
iii) Dues to related parties for capital goods	**287,524,366**	**–**	**287,524,366**	*683,841,620*		*683,841,620*	*554,600,454*		*554,600,454*
others	**–**		**–**	*1,472,149*		*1,472,149*	*13,074,123*		*13,074,123*
	666,296,798	**–**	**666,296,798**	*732,418,516*	–	*732,418,516*	*608,578,575*	–	*608,578,575*

A Contingent Liabilities

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

B Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at March 31, 2017 ₹ 232,81,17,190/- (previous year: ₹ 678,60,12,860/-)

Particulars	2016-17		*2015-16*	
	₹	₹	₹	₹
NOTE 12				
OTHER INCOME				
Interest income from:				
Bank deposits	**66,835**		*167,808*	
		66,835		*167,808*
Profit on sale of current investments		**2,445,508**		*5,727,710*
Profit/(loss) on disposal of fixed assets		**35,785**		*40,054*
Income received from Odisha Works Dept.	**25,441,761**			
Less: Sub-contracting charges	**(24,773,392)**			
		668,369		*1,665,581*
		3,216,497		*7,601,153*

NOTES FORMING PART OF ACCOUNTS (Contd.)

NOTE 13

EMPLOYEE BENEFIT EXPENSES

Particulars	**2016-17**		*2015-16*	
	₹	₹	₹	₹
Salaries, wages and bonus		**2,828,377**		*1,838,820*
Contributions to and provisions for:				
Provident fund	**127,042**		*87,649*	
		127,042		*87,649*
Staff welfare expenses		**70,982**		–
		3,026,401		*1,926,469*

NOTE 14

FINANCE COSTS

Particulars	**2016-17**		*2015-16*	
	₹	₹	₹	₹
Interest on borrowings		**3,158,468**		*7,194,208*
		3,158,468		*7,194,208*

NOTE 15

ADMINISTRATION AND OTHER EXPENSES

Particulars	**2016-17**		*2015-16*	
	₹	₹	₹	₹
Rent, Rates and taxes		**38,191**		*8,275,246*
Payments to Auditor - refer note below		**611,592**		*205,164*
Professional fees		**193,699**		*83,415*
Director's sitting Fee		**495,500**		-
Postage and communication		**26,930**		-
Printing and stationery		**17,637**		*37,913*
Travelling and conveyance		**903,358**		*642,373*
Miscellaneous expenses		**–**		*63,581*
TOTAL		**2,286,907**		*9,307,692*

(a) Payments to auditor (including service tax) as follows:

Particulars	**2016-17**	*2015-16*
	₹	₹
a) As auditor	**138,000**	*114,500*
b) For taxation matters	**17,175**	*28,625*
c) For company law matters	**28,625**	*17,175*
d) For other services	**427,792**	*44,864*
Total	**611,592**	*205,164*

NOTES FORMING PART OF ACCOUNTS (Contd.)

Reconciliation of Profit and loss as at 31st March, 2016

Particulars	**Note**	**Indian GAAP***	**Adjustments**	**Ind AS**
		₹	₹	₹
REVENUE				
Construction contract revenue	–	–	3,314,500,801	3,314,500,801
Other income	12	7,601,153	–	7,601,153
Total income		**7,601,153**	**3,314,500,801**	**3,322,101,954**
EXPENSES				
Construction contract expenses		–	3,314,500,801	3,314,500,801
Employee benefits expense	13	1,926,469	–	1,926,469
Finance costs	14	7,194,208	–	7,194,208
Administration and other expenses	15	9,307,692	–	9,307,692
Total expenses		**18,428,369**	**3,314,500,801**	**3,332,929,170**
Profit/(loss) before exceptional items and tax		(10,827,216)	–	(10,827,216)
Profit/(loss) before tax		(10,827,216)	–	(10,827,216)
Tax Expense		–	–	–
Profit/(loss) for the year		**(10,827,216)**	**–**	**(10,827,216)**
Other comprehensive income		**–**	**–**	**–**
Total comprehensive income for the year		**(10,827,216)**		**(10,827,216)**

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

Reconcilation of equity as at 31st March 2015

Particulars	**Note**	**Indian GAAP***	**Adjustments**	**Ind AS**
		₹	₹	₹
ASSETS				
(1) Non-current assets				
a) Property, plant and equipment	1	4,945,292	–	4,945,292
b) Intangible assets under development	2	1,708,738,043	3,707,874	1,705,030,169
c) Financial assets		–		
i) Loans	3	59,100		59,100
d) Other non-current assets	4	1,282,032,844		1,282,032,844
		2,995,775,279	3,707,874	2,992,067,405
Current assets				
a) Financial assets				
i) Investments	5	66,813,300	443,809	67,257,109
ii) Cash and bank balances	6	146,910,053		146,910,053
b) Current tax assets (net)	4	81,011		81011
c) Other current assets	4	1,124,727		1,124,727
		214,929,091	**443,809**	**215,372,900**
TOTAL		**3,210,704,370**	**3,264,065**	**3,207,440,305**
EQUITY AND LIABILITIES				
EQUITY				
a) Equity share capital	7	963,500,000		963,500,000
b) Other equity	8	(13,625,144)		(13,625,144)
		949,874,856	**–**	**949,874,856**
LIABILITIES				
(1) Non-current liabilities				
a) Financial liabilities				
i) Borrowings	9	1,649,941,399	3,264,065	1,646,677,334
b) Provisions	10	2,168,467		2,168,467
		1,652,109,866	**3,264,065**	**1,648,845,801**
Current liabilities				
a) Other current liabilities	11	608,578,575		608,578,575
b) Provisions	10	141,073		141,073
		608,719,648	**–**	**608,719,648**
Total Equity and Liabilities		**3,210,704,370**	**3,264,065**	**3,207,440,305**

NOTES FORMING PART OF ACCOUNTS (Contd.)

Reconcilation of equity as at 31st March 2016

Particulars	Note	Indian GAAP* ₹	Adjustments ₹	Ind AS ₹
ASSETS				
(1) Non-current assets				
a) Property, plant and equipment	1	3,920,267	–	3,920,267
b) Intangible assets under development	2	5,818,195,264	5,764,515	5,812,430,749
c) Financial assets		–		
i) Loans	3	59,100		59,100
d) Other non-current assets	4	845,363,223		845,363,223
	A	**6,667,537,854**	**5,764,515**	**6,661,773,339**
Current assets				
a) Financial assets				
i) Investments	5	26,272,308	259,448	26,531,756
ii) Cash and bank balances	6	2,070,362		2,070,362
b) Current tax assets (net)	4	1,238,175		1,238,175
c) Other current assets	4	99,957,314		99,957,314
		129,538,159	**259,448**	**129,797,607**
TOTAL		**6,797,076,013**	**6,023,963**	**6,791,570,946**
EQUITY AND LIABILITIES				
EQUITY				
a) Equity share capital	7	2,158,500,000		2,158,500,000
b) Other equity	8	(24,711,806)	259,448	(24,452,358)
		2,133,788,194	**259,448**	**2,134,047,642**
LIABILITIES				
(1) Non-current liabilities				
a) Financial liabilities				
i) Borrowings	9	3,919,508,125	5,764,515	3,913,743,610
b) Provisions	10	8,369,746		8,369,746
		3,927,877,871	**5,764,515**	**3,922,113,356**
Current liabilities				
a) Other current liabilities	11	732,418,516		732,418,516
b) Provisions	10	2,991,432		2,991,432
		735,409,948	**–**	**735,409,948**
Total Equity and Liabilities		**6,797,076,013**	**6,023,963**	**6,791,570,946**

NOTES FORMING PART OF ACCOUNTS (Contd.)

C NOTES FORMING PART OF ACCOUNTS

1) Corporate Information

L&T Sambalpur Rourkela Tollway Limited is a Special Purpose Vehicle incorporated on 18th Oct 2013 for the purpose of executing and operating the project consist of Four Laning with Paved shoulders of Sambalpur-Rourkela Section of State Highway No.10 (SH-10) from KM 4.9000 to KM 167.9000 in the State of Odisha to be executed as Build, Operate and Transfer (Toll) on DBFOT (Design, Built, Finance, Operate and Transfer) pattern as per the Concession Agreement entered into with the Works Department, Government of Odisha on 8th Nov 2013. The appointed date as specified in terms article 48.1 of the said agreement is 15th July 2014. The Concession Period is for 22 years (including the construction period of 3 years) from the Appointed Date.

2) The Company has not earned any income but incurred expenditure in foreign currency for ₹ 36,02,774/- during the year. *(previous year: Nil).*

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 ₹ 19,69,041/- (previous year ₹ 20,34,394/-) being contribution made to provident fund is recognised as Employee benefit expense and included under Pre-operative expenses pending allocation for an amount of ₹ 18,41,999/- (Note E (II)) (previous year ₹ 19,46,745/-) and ₹ 1,27,042/- to the profit and loss account (previous year ₹ 87,649).

(ii) Defined benefit plans:

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.

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

Particulars		**Gratuity plan**	
		As at March 31, 2017	*As at March 31, 2016*
		₹	₹
A)	Present value of defined benefit obligation		
	- Wholly funded	**3,299,117**	–
	- Wholly unfunded	**–**	2,449,728
		3,299,117	2,449,728
	Less : Fair value of plan assets	**2,722,801**	–
	Amount to be recognised as liability or (asset)	**576,316**	2,449,728
B)	Amounts reflected in the Balance Sheet		
	Liabilities	**576,316**	2,449,728
	Assets	**–**	–
	Net Liability / (asset)	**576,316**	2,449,728

NOTES FORMING PART OF ACCOUNTS (Contd.)

b) The amounts recognised in the Statement of Profit and loss are as follows (included under Pre-operative expenses):

Particulars		Gratuity plan	
		As at March 31, 2017	*As at March 31, 2016*
		₹	₹
1	Current service cost	**625,809**	*580,528*
2	Interest on Defined benefit obligation	**186,521**	*135,305*
3	Expected return on plan assets	**(99,353)**	
4	Actuarial losses/(gains)		
	From changes in demographic assumptions		
	From changes in financial assumptions		
5	Past service cost	**–**	–
5	Actuarial gain/(loss) not recognised in books	**77,994**	*126,578*
6	Adjustment for earlier years	**–**	–
	Total (1 to 7)	**790,971**	*842,411*
I	Amount included in "employee benefit expenses"	**790,971**	*842,411*
II	Amount included as part of "finance costs"	**–**	–
	Total (I + II)	**790,971**	*842,411*
	Actual return on plan assets	**–**	–

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

d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	Gratuity plan	
	As at March 31, 2017	*As at March 31, 2016*
	₹	₹
Opening balance of the present value of defined benefit obligation	**2,449,728**	*1,607,317*
Add: Current service cost	**625,809**	*580,528*
Add: Interest cost	**186,521**	*135,305*
Add: Contribution by plan participants		
i) Employer	**–**	–
ii) Employee	**–**	–
Add/(less): Actuarial losses/(gains)	**37,059**	*126,578*
Less: Benefits paid	**–**	–
Add: Past service cost	**–**	–
Closing balance of the present value of defined benefit obligation	**3,299,117**	*2,449,728*

e) The changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	Gratuity plan	
	As at March 31, 2017	*As at March 31, 2016*
	₹	₹
Opening balance of fair value of plan assets	–	–
Add: Expected return on plan assets	99,353	–
Add/(less): Actuarial losses/(gains)	(40,935)	–
Add: Contribution by employer	**2,664,383**	–
Add: Contribution by plan participants	–	–
Less: Benefits paid	–	–
Closing balance of fair value of plan assets	2,722,801	–

NOTES FORMING PART OF ACCOUNTS (Contd.)

f) The major components of plan assets as a percentage of total plan assets are as follows:

Particulars	Gratuity plan	
	As at March 31, 2017	*As at March 31, 2016*
	₹	₹
Insurer managed funds	100%	0%
	100%	0%

g) Principal actuarial assumptions at the Balance Sheet date:

Particulars	As at March 31, 2017	*As at March 31, 2016*
1) Discount rate	6.95%	7.80%
2) Expected Return on Plan Assets	6.95%	Not Applicable
3) Salary growth rate	6.95%	6.00%
4) Attrition rate	3% to 15%	3% to 15%

4) Disclosure pursuant to Ind AS 23 "Borrowing Costs"

Borrowing cost capitalised as intangible assets under development during the year ₹51,02,58,331/- . (previous year ₹ 24,59,82,085) and charged to Statement of Profit and loss account ₹ 31,58,469. (previous year ₹ 71,94,208).

5) Disclosure of segment information pursuant to Ind AS 108 "Operating Segments"

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

6) Disclosure of related parties / related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

a) List of related parties

Ultimate Holding Company : Larsen & Toubro Limited

Holding Company : L&T Infrastructure Development Projects Limited

Fellow Subsidiaries : L&T Krishnagiri Walajahpet Tollway Limited
L&T BPP Tollway Limited
L&T Krishnagiri Walahjapet Tollway Limited
L&T Krishnagiri Thopur Toll Road Limited

Key Managerial Personnel : Mr S.D. Mahaveer, Manager

b) Disclosure of related party transactions:

Particulars	2016-17	*2015-16*
	₹	₹
Subscription to equity shares		
Holding company		
• L&T Infrastructure Development Projects Limited	**741,800,000**	*1,195,000,000*
Purchase of goods and services incl. taxes		
• L&T Infrastructure Development Projects Limited	**5,302,235,473**	*3,706,968,837*
• Larsen & Toubro Limited	**184,877,989**	*24,141,527*
Reimbursement of expenses charged to		
• L&T Infrastructure Development Projects Limited	**8,734,640**	*3,284,060*
• Larsen & Toubro Limited	**300,361**	*414,552*
Reimbursement of expenses charged from		
• L&T Infrastructure Development Projects Limited	**18,285**	*698,984*
• L&T Krishnagiri Walahjapet Tollway Limited	**107,140**	–
• L&T Krishnagiri Thopur Toll Road Limited	**–**	*126,000*
Purchase of fixed assets		
• L&T BPP Tollway Limited	**58,507**	*254,880*

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars	2016-17	2015-16
	₹	₹
Rent paid incl.taxes		
• Larsen & Toubro Limited	**620,000**	*659,340*
Refundable deposit received for directors nominations		
• L&T Infrastructure Development Projects Limited	**300,000**	–

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

Particulars	Amounts due (to) / from	Amounts due (to) / from
	As at March 31, 2017	As at March 31, 2016
Ultimate Holding Company		
Larsen & Toubro Limited	**(4,737,230)**	*(5,825,694)*
Holding Company		
L&T Infrastructure Development Projects Limited	**(117,787,135)**	*166,323,929*

d) Terms and conditions of transactions with related parties

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

e) There is no provision for bad and doubtful debts to related parties with regard to outstanding expenses and there is no expense recognized in respect of bad and doubtful debts due from related parties.

f) Compensation of Key Management personnel of the group

Particulars	As at March 31, 2017	As at March 31, 2016
	₹	₹
Short term employee benefits	**3,748,763**	*3,528,756*

7) Disclosure pursuant to Ind AS 17 "Leases"

(a) The Company has not entered into any finance lease. The Company has taken office premises and Guest house under cancellable operating lease. These agreements are normally renewed on expiry. Lease rental expenses in respect of operating leases for the year amounting to ₹ 13,22,255/- (Previous year ₹ 11,96,000/-) has been included in Pre-operative expenses.

8) Disclosure pursuant to Ind AS 33 "Earnings per share"

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

Particulars		2016-17	2015-16
		₹	₹
Basic and Diluted			
Profit after tax as per accounts (₹)	A	**(5,255,279)**	*(10,827,216)*
Weighted average number of shares outstanding	B	**255,504,521**	*144,124,931*
Basic and Diluted EPS (₹)	A / B	**(0.02)**	*(0.08)*
Face value per equity share (₹)		**10.00**	*10.00*

9) 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.

10) Disclosure as per 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 the 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.)

NOTES FORMING PART OF ACCOUNTS (Contd.)

11) First time adoption of Ind AS

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

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

12) 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	**–**	**–**	**950,250**	–	–	*59,100*	–	–	*59,100*
Investments	5	**228,189,329**	**–**	**–**	*5,812,430,749*	–	–	*67,257,109*	–	–
Cash and cash equivalents	6	**–**	**–**	**348,106,580**	–	–	*2,070,362*	–	–	*146,910,053*
Total Financial Asset		**228,189,329.00**	**–**	**349,056,830**	*5,812,430,749*	–	*2,129,462*	*67,257,109*	–	*146,969,153*
Financial liability										
Term Loan from Banks	9	**–**	**–**	**7,829,404,488**	–	–	*3,913,743,610*	–	–	*1,646,677,334*
Total Financial Liabilities		**–**	**–**	**7,829,404,488**	–	–	*3,913,743,610*	–	–	*1,646,677,334*

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.

13) 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	**950,250**	**950,250**	*59,100*	*59,100*	*59,100*	*59,100*
Total Financial Assets		**950,250**	**950,250**	*59,100*	*59,100*	*59,100*	*59,100*
Financial liability							
Term Loan from Banks	9	**7,829,404,488**	**7,829,404,488**	*3,913,743,610*	*3,913,743,610*	*1,646,677,334*	*1,646,677,334*
Total Financial Liabilities		**7,829,404,488**	**7,829,404,488**	*3,913,743,610*	*3,913,743,610*	*1,646,677,334*	*1,646,677,334*

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.

Refer Note C(15) for information on Financial Asset pledged as security.

NOTES FORMING PART OF ACCOUNTS (Contd.)

14) Fair Value Measurement

Fair Value Measurement of Financial asset and Financial liabilties

Fair value hierarchy

As at March 31, 2017

Financial Asset & Liabilites Measured at FV - Recurring FVM	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL					
Investments in Mutual Funds	5	228,189,329	–	–	228,189,329
Total of Financial Assets		**228,189,329**	**–**	**–**	**228,189,329**
Financial Asset & Liabilites Measured at Amortized cost for which fair values are to be disclosed	**Note No.**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Security Deposits	3	–	950,250	–	950,250
Total of Financial Assets		**–**	**950,250**	**–**	**950,250**
Financial Liabilities					
Term Loan from Banks	9	–	7,829,404,488	–	7,829,404,488
Total Financial liabilties		**–**	**7,829,404,488**	**–**	**7,829,404,488**

As at March 31, 2016

Financial Asset & Liabilites Measured at FV - Recurring FVM	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL					
Investments in Mutual Funds	5	5,812,430,749	–	–	5,812,430,749
Total of Financial Assets		5,812,430,749	–	–	5,812,430,749
Financial Asset & Liabilites Measured at Amortized cost for which fair values are to be disclosed					
Financial Assets					
Security Deposits	3	–	59,100	–	59,100
Total Financial Assets		**–**	**59,100**	**–**	**59,100**
Financial Liabilities					
Term Loan from Banks	9	–	3,913,743,610	–	3,913,743,610
Total Financial Liabilities		**–**	**3,913,743,610**	**–**	**3,913,743,610**

As at April 1, 2015

Financial Asset & Liabilites Measured at FV - Recurring FVM	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL					
Investments in Mutual Funds	5	67,257,109	–	–	67,257,109
Total of Financial Assets		67,257,109	–	–	67,257,109
Financial Asset & Liabilites Measured at Amortized cost for which fair values are to be disclosed					
Financial Assets					
Security Deposits	3	–	59,100	–	59,100
Total of Financial Assets		**–**	**59,100**	**–**	**59,100**
Financial Liabilities					
Term Loan from Banks	9	–	1,646,677,334	–	1,646,677,334
Total of Financial Liabilities		**–**	**1,646,677,334**	**–**	**1,646,677,334**

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.

NOTES FORMING PART OF ACCOUNTS (Contd.)

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 Orissa works dept OWD (Including Interest)	Income	Cash flow

15) Asset pledged as security

Particulars	Note no	31.03.2017	*31.03.2016*	*01.04.2015*
Non Financial Asset				
Property, Plant & Equipment	1	**4,385,328**	*3,920,267*	*4,945,292*
Other Financial Asset	3	**950,250**	*59,100*	*59,100*
Financial Asset				
Cash and Cash Equivalents	6	**348,106,580**	*2,070,362*	*146,910,053*
Investments In Mutual Fund	5	**228,189,329**	*26,531,756*	*67,257,109*
TOTAL		**581,631,487**	*32,581,485*	*219,171,554*

16) 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.

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	**7,829,404,488**	*3,913,743,610*	*1,646,677,334*

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 by 25 basis point	**14,678,935**	*6,950,526*

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

iii Price risk

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

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

The company measures risk through sensitivity analysis.

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

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

Particulars	**Note No.**	**31.03.2017**	**31.03.2016**	**01.04.2015**
Investments in Mutual Funds	**5**	**228,189,329**	26,531,756	67,257,109

Sensitivity Analysis

	Impact on profit/ loss after tax	
	31.03.2017	*31.03.2016*
Increase or decrease in NAV by 2%	**4,563,786.58**	*530,635.12*

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

iv Liquidity risk

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

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

The company measures risk by forecasting cash flows.

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

The following are the contractual maturities of financial liabilities

As at March 31, 2017	**Carrying Amount**	**upto 1 year**	**1 - 2 years**	**2 - 5 years**	**> 5 years**
Non Derivative Financial Liability					
Senior Debt from Banks	7,829,404,488	–	156,588,090	1,291,851,741	6,380,964,658
Derivative Financial Liability	**–**	**–**	**–**	**–**	**–**

As at March 31, 2016	**Carrying Amount**	**upto 1 year**	**1 - 2 years**	**2 - 5 years**	**> 5 years**
Non Derivative Financial Liability					
Senior Debt from Banks	3,913,743,610	–	78,274,872	645,767,696	3,189,701,042

As at April 01, 2015	**Carrying Amount**	**upto 1 year**	**1 - 2 years**	**2 - 5 years**	**> 5 years**
Non Derivative Financial Liability					
Senior Debt from Banks	1,646,677,334	–	–	82,333,867	1,564,343,467

v Derivative Financial Liability

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. NHAI. Hence, the management believes that the company is not exposed to any credit risk.

17) Disclosure pursuant to Appendinx - A to Ind AS 11 - " Service Concession Arrangements"

17.1 Description and classification of the arrangment

L&T Sambalpur Rourkela Tollway Limited is a Special Purpose Vehicle incorporated on 18th Oct 2013 for the purpose of executing and operating the project consist of Four Laning with Paved shoulders of Sambalpur-Rourkela Section of State Highway No.10 (SH-10) from KM 4.9000 to KM 167.9000 in the State of Odisha to be executed as Build, Operate and Transfer (Toll) on DBFOT (Design, Built, Finance,

NOTES FORMING PART OF ACCOUNTS (Contd.)

Operate and Transfer) pattern as per the Concession Agreement entered into with the Works Department, Government of Odisha on 8th Nov 2013. The appointed date as specified in terms article 48.1 of the said agreement is 15th July 2014. The Concession Period is for 22 years (including the construction period of 3 years) from the Appointed Date.

17.2 Significant Terms of the arrangements

17.2.1 Revision of Fees:

Fees shall be revised annually on April 01 subject to the provisions Article 27.2 of the Concession Agreement.

17.2.2 Grant

The Government has agreed to provide cash support by way of outright grant equal to the sum set forth in thr bid, namely, 465.30 Cr in accordance to the provisons of Article 25 of the CA. Accordingly ₹ 258.51 Cr will be provided as equity support and the balance ₹ 206.79 Cr is provided as O&M support.

17.3 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.

17.4 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 Article 17 of the CA.

17.5 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.

17.6 Details of Termination

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

Notes to first time adoption

Note 18: Transitional details

i) Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised over the tenure of the loan. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method. Accordingly borrowings as at 31st March 2015 have been reduced by ₹ 32,64,065/-.

ii) Current investments

Under the previous GAAP, investment in mutual funds were classified as current investments based on the intended holding period. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments in mutual funds are marked to market at each reporting date. The difference between the fair value and the carrying amount is recognized in the statement of profit and loss. The amount adjusted in intangible under development as on 31st March 2015 is ₹ 4,43,809/- and the amount recognized in the Statement of profit and loss as on 31st March 2016 is ₹ 2,59,559/-.

iii) Government Grant

Under the GAAP, the Government Grant were classified as a capital reserve. Under Ind AS, the grant is reduced from the project cost i.e., intangibles under development/ toll collection rights.

Note 19: Specified bank notes

Details of Specified Bank Notes held and transacted during the period 08/11/2016 to 30/12/2016 provided in the table given below:

Particulars	SBNs	Other Denomination notes	Total
Closing Cash in hand as on 08/11/2016	13,000	404	13,404
(+) Permitted receipts	–	42,567	42,567
(-) Permitted payments	–	36,107	36,107
(-) Amount deposited in Banks	13,000	–	13,000
Closing cash in hand as on 30/12/2016	**–**	**6,864**	**6,864**

NOTES FORMING PART OF ACCOUNTS (Contd.)

D SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of preparation

(a) Compliance with IndAS

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

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

These financial statements are the first financial statements of the Company under IndAS.

(b) Basis of measurement

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

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

(c) Use of estimates and judgements

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

(d) Measurement of fair values

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

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

2 Presentation of financial statements

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

Amounts in the financial statements are presented in Indian Rupees rounded off to nearest rupee 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 is accounted on cash basis.

NOTES FORMING PART OF ACCOUNTS (Contd.)

b) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate. Interest Income on non-performing assets is recognised upon realization, as per guidelines issued by the Reserve Bank of India.

c) License fees for way-side amenities are accounted on accrual basis.

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

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

4 Cash and bank balances

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

5 Cash flow statement

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

(a) transactions of a non-cash nature;

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

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

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

6 Property, plant and equipment (PPE)

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

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Properties in the course for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes expenditure that is directly attributable and for qualifying assets, borrowing costs capitalised in accordance with the Company’s accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

Depreciation on additons / deductions is calculated pro-rata from / to the month of additions / deductions. For the assets that are transferred / sold with the group companies, depreciation is calculated upto the month preceding the month of transfer / sale within the group.

The estimated useful lives of the assets are as follows:

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

Category of Property, plant and equipment	**Estimated useful life (in years)**
Computers:	
Servers and systems	6
Desktops, laptops, etc,	3
Electrical installations	10

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

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

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

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.

8 Exceptional items

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

9 Intangible assets

a) Rights under Service Concession Arrangements

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

Toll Projects (Right to charge users)

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

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

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

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

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

10 Foreign currency transactions and translations

The reporting currency of the company is Indian Rupee.

Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rate applicable on the date of transaction.

At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.

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 recognised as income or expense in the period in which they arise.

NOTES FORMING PART OF ACCOUNTS (Contd.)

11 Government grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets.

12 Investments

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

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

13 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. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

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

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

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

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

(iii) Other long term employee benefits:

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

(iv) Termination benefits

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

14 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.

15 Leases

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

Operating leases:

(a) Property, plant and equipment acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

(b) Property, plant and equipment leased out under operating leases are continued to be capitalised by the Company. Rental income is recognised on a straight-line basis over the term of the relevant lease.

16 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.

17 Income taxes

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

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

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

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

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

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

18 Impairment of assets

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

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

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

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.

19 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.

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

20 Financial Instruments

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

a) Financial Assets

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

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

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

A financial asset is primarily derecognised when:

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

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

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

b) Financial Liabilities

Financial liabilities are classified at initial recognition, as financial liabilities 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 liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

21 Insurance claims

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

22 Operating Cycle

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

23 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.

24 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.

Note A: First time adoption of Ind AS

The Company has prepared opening balance sheet as per Ind AS as of April 1, 2015 (transition date) by recognising all assets and liabilities whose recognistion 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 opted to continue with the carrying value for all of its PPE & investment property as recognised in its previous GAAP financial as deemed cost at the transition date.
3. The company has assessed all contracts and arrangements for embedded leases based on conditions in place as at the date of transition.
4. The estimates as at 01 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with the Indian GAAP.

As per our report attached
M. K. DANDEKER & CO.
Chartered Accountants
(Firm Registration No. 000679S)

by the hand of
S. POOSAIDURAI
Partner
Membership No. 223754

Place : Chennai
Date : April 28, 2017

For and on behalf of the Board

K. C. RAMAN
Chief Financial Officer

KARTHIKEYAN T. V.
Director
DIN: 01367727

MATHEW GEORGE
Director
DIN: 07402208

Place : Chennai
Date : April 28, 2017