BOARD'S REPORT

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

FINANCIAL RESULTS

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

Particulars	2016-17	*2015-16*
	₹ in crore	*₹ In crore*
Profit/ (Loss) before depreciation, exceptional and extra ordinary items & tax	(4.86)	–
Less: Depreciation ,amortization and obsolescence	–	–
Profit/ (Loss) before tax	(4.86)	–
Less: Provision for tax	–	–
Profit/(Loss) after tax for the year carried to the balance sheet	(4.86)	–
Add: Balance brought forward from previous year	–	–
Balance carried to Balance Sheet	(4.86)	–

RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

The Company was set up as an SPV for execution of a Project, namely, augmentation of the existing four lane road from km 11 to 54.40 (approximately 43.40 km) on the Chennai Tada Section of NH-5 in the State of Tamil Nadu by six laning thereof on a Build Operate and Transfer basis (hereinafter referred to as "the Project"), awarded by the National Highway Authority of India (NHAI). NHAI was under a contractual obligation to hand over 60% of the Right of Way (ROW) to L&T CTTL on the Appointed Date in terms of Article 10.3 of the Concession Agreement (CA). However, only 48.3% of the land comprising of unworkable stretches of land in bits and pieces that were encumbered was handed over to L&T CTTL as against 60% committed under the CA as on the Appointed Date. It is pertinent to note that even after six years from the Appointed Date, NHAI had handed over only 70.08 % making the project wholly unviable. The Company has completed 6 laning at all locations wherever the Construction Works could be carried out and the Company has been frustrated in its ability to fulfil its obligations under the Concession due to non-availability of ROW. In the meantime the capital costs for the Company have escalated significantly and a decision has been taken to terminate the Concession vide its letter dated June 24, 2015 citing various Defaults on part of NHAI.

As NHAI did not come forward to take over the Project in terms of the CA, L&T CTTL has filed two Applications (OMP No. 370/2015 & 371/2015) under Section 9 of Arbitration & Conciliation Act, 1996 before Hon'ble High Court of Delhi. In application No. 370, L&T CTTL has sought the Court to direct NHAI to take-over the Project as per the terms of Article 37.4 of CA and in application No. 371, L&T CTTL has sought the Court to direct NHAI to continue depositing the toll in the Escrow Account and disburse the toll collected in terms of the waterfall mechanism stipulated in the Escrow Agreement till the issue of termination is finally decided by the Arbitral Tribunal. In OMP No.371/2015, L&T CTTL had impleaded lenders also as Respondents. Hon'ble High Court in its Order dated August 04, 2015 in both the applications has directed the parties to maintain status quo till the next date of hearing and directed the parties to look for amicable solution. Accordingly both the parties met along with their Counsel on August 20, 2015 and September 08, 2015 but could not reach an amicable solution to the issues. Further a meeting of all the stake holders of the Project including lenders was called by NHAI on October 20, 2015, to discuss about the various issues involved in the Project, under the chairmanship of NHAI Chairman. But the outcome of the meeting was not agreeable to all the parties.

On December 02, 2015 L&T CTTL and NHAI updated the Hon'ble High Court of Delhi about the failure of meetings seeking amicable solution to the issues and that no amicable solution could be reached between the parties. Further, Hon'ble High Court directed the NHAI to give a clear proposal to L&T CTTL within two weeks to enable L&T CTTL to respond to the same and have also directed to NHAI to file their Reply. NHAI did not submit any proposal to L&T CTTL as directed by the Hon'ble High Court. NHAI filed its replies in both the Applications and L&T CTTL has filed the Rejoinders in the matter on April 07, 2016. The matter was adjourned to May 03, 2016 for final hearing on the said Applications.

OMP No 370/2015 was dismissed on May 03, 2016 as NHAI agreed to take over the Project. OMP 371/ 2015 was disposed of on May 27, 2016 stating that after termination of the Concession Agreement, the NHAI has appointed the new agent for toll collection. The new Concession Agreement is yet to be executed. In the meanwhile, both the parties agreed without prejudice that the toll collected by the new agent be deposited in the escrow account as large amount of debt is still owed to the lenders.

CAPITAL EXPENDITURE

There were no Capital Expenditure incurred during the Year.

DEPOSITS

The Company has not accepted deposits from the public hence 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.

SUBSIDIARY/ASSOCIATE/JOINT VENTURE

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

PARTICULARS OF LOAN 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 of the Companies Act, 2013 (Act) except sub-section (1) are not applicable to the Company. However the details of loans given, investments made and guarantees/securities provided by the Company are given in Notes to the audited financial statement.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions (RPT) during the year have been approved in terms of the Act which are in ordinary course of business and at arm's length basis. The Company will adhere to the RPT policy of the Holding Company and the guidelines thereunder.

The Company has not entered into any material contracts or arrangements during the year 2016-17. The disclosure as per Form AOC-2 of the Act is given in this Report as **Annexure I**.

AMOUNT TRANSFERRED TO RESERVES

The Company is yet to commence commercial operation during the financial year and hence no appropriation of profits to any specific reserve has been made.

DIVIDEND

The Company is yet to commence commercial operation during the year and no dividend is recommended.

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

The Company had decided to terminate the concession due to the default on the part of the Authority and issued notice of termination to the Authority. Further details are provided under the para "Results of Operations and State of Company's Affairs".

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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, pertaining to conservation of energy and technology absorption does not apply to the Company.

FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no outgo or earning in foreign currency during the year.

RISK MANAGEMENT POLICY

Since there are no operations in the company, review of risk of the company does not arise.

CORPORATE SOCIAL RESPONSIBILITY

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Since the company has issued termination notice and there are no operations in the Company, the adequacy of internal control system does not arise.

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

Changes in Directors and KMP

Mr. P. G. Suresh Kumar, Director, retired by rotation in the Annual General Meeting of the Company held on September 28, 2016. He was re-appointed as Director.

Mr. Arun Kumar Jha was appointed as Additional Director of the Company on April 11, 2016. He was appointed as Director in the Annual General Meeting of the Company held on September 28, 2016. He subsequently resigned with effect from January 18, 2017.

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

S.No.	Name	Designation	DIN
1	Mr. T. S. Venkatesan	Director	01443165
2	Mr. P. G. Suresh Kumar	Director	07124883
3	Dr. Ashwin Mahalingam	Independent Director	05126953
4	Mr. K.P.Raghavan	Independent Director	00250991

Mr. S. Elangovan resigned as Manager of the Company with effect from October 17, 2016.

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

S. No.	Name	Designation
1	Mr. C.Ramanan	Chief Financial Officer

NUMBER OF MEETING OF THE BOARD OF DIRECTORS

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

During the year four Board Meetings were held. The details of the Board meetings conducted during the year under review are given below:

Date	Board Strength	No of Directors Present
April 11, 2016	5	5
July 15,2016	5	2
October 19, 2016	5	3
January 18, 2017	5	3

The Agenda of the Meeting is circulated in advance to the Directors. Minutes of the Meetings of the Board of Directors are drafted and 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 Mr. K.P.Raghavan, Dr. Ashwin Mahalingam and Mr. T.S.Venkatesan.

During the year, four meetings were held. The details of the meetings conducted during the year under review are given below:

Date	Strength of the Committee	No. of members present
April 11, 2016	3	3
July 15,2016	3	2
October 19,2016	3	2
January 18, 2017	3	2

In accordance with the requirements of the Act, the Company has established a Vigil Mechanism framework for Directors and employees to report genuine concerns. The Chief Internal Auditor of the Holding Company is the co-ordinator for the Vigil Mechanism and responsible for receiving, validating, investigating and reporting to the Audit Committee during the year.

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, read with the rules made thereunder. The Members of the Nomination and Remuneration Committee are Dr. Ashwin Mahalingam, Mr. K.P.Raghavan and Mr. T.S.Venkatesan.

During the year, one meeting was held. The detail of the meeting conducted during the year under review is given below:

Date	Strength of the Committee	No. of members present
April 11, 2016	3	3

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

DECLARATION OF INDEPENDENCE

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

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form No. MGT – 9 is enclosed to this Report as **Annexure 2.**

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

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

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 profit or 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 not going concern basis:

e) The Directors have laid down an adequate system of internal financial control with respect to reporting on financial statements and the said system is operating effectively.

f) 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 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 questionaries' also cover specific criteria and the grounds on which all directors in their individual capacity will be evaluated.

The Independent Directors Meeting was proposed to be held during December 2016. However, due to non-availability of Independent Directors, the Meeting could not be scheduled. The Independent Directors at the meeting held on March 16, 2017, reviewed the performance of Board, Committees, and Non-Executive Directors. The performance evaluation of the Board, Committees and Directors was also reviewed by the Nomination and Remuneration Committee and the Board of Directors.

DISCLOSURE OF REMUNERATION

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

COMPLIANCES 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

A policy on 'Protection of Women's Rights at Workplace' was adopted by the Company at the Board Meeting held on July 15, 2016. This has been widely disseminated. There were no cases of sexual harassment received in the Company during the year 2016-17 since there are no employees in the Company.

AUDITOR AND AUDITOR'S REPORT

STATUTORY AUDITORS

The Company in the Seventh Annual General Meeting held on September 21, 2015 for the F-Y 2015-16 had appointed M/s.Gianender & Associates, Chartered Accountants, (Firm Reg no: 004661N), Delhi as Statutory Auditors of the Company to hold office from the conclusion of that Annual General Meeting until the conclusion of the fourth consecutive Annual General Meeting of the Company to be held during the year 2018.

The Board recommends the ratification of the appointment of M/s.Gianender & Associates, Chartered Accountants, (Firm Reg no: 004661N), Delhi, as Statutory Auditors of the Company from the conclusion of the ensuing AGM until the conclusion of the next AGM. Certificate from the said audit firm has been received to the effect that they are eligible to act as Auditors of the Company under Section 141 of the Companies Act, 2013.

The Auditors' Report for the financial year 2016-17 is unqualified and the Auditors wish to draw attention to disclosure under "emphasis on matter", where it is stated about the Project being terminated and there being non repayment of Loan. 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.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank its employees, Financial Institutions, Banks, Central and State Government authorities, Regulatory authorities, NHAI and all other stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

	T. S. VENKATESAN	**P. G. SURESH KUMAR**
Place: Chennai	*Director*	*Director*
Date: April 25, 2017	*DIN: 01443165*	*DIN: 07124883*

ANNEXURE 1

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 any such contracts or arrangements during the year.

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

The Company has not entered into any such contracts or arrangements during the year.

For and on behalf of the Board

	T. S. VENKATESAN	**P. G. SURESH KUMAR**
Place: Chennai	*Director*	*Director*
Date: April 25, 2017	*DIN: 01443165*	*DIN: 07124883*

ANNEXURE 2

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	U45309TN2008PLC066938
Registration Date	24/08/2008
Name of the Company	L&T Chennai-Tada Tollway Limited
Category / Sub-Category of the Company	Company Limited by shares/Indian Non-government Company
Address of the Registered office and contact details	P.O.Box.979, Mount Poonamallee Road, Manapakkam, Chennai-600089
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	NSDL Database Management Limited * 4th Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Ph: 022 4914 2591

* NSDL Database Management Limited was appointed as Registrar and Share Transfer Agent at the Board of Directors Meeting held on July 13, 2016 and the services were transferred from Sharepro Services Limited w.e.f September 23, 2016.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. 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	Nil

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 as on April 01, 2016				No. of Shares held as on March 31, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Phsical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	41999995	6*	42000000	100	41999995	6*	42000000	100	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other….									
Sub-total (A) (1):-	**41999995**	**6***	**42000000**	**100**	**41999995**	**6***	**42000000**	**100**	**–**
2) Foreign									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
b) Other - Individuals									
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Other….									
Sub-total (A) (2):-	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**41999995**	**6***	**42000000**	**99.99**	**41999995**	**6***	**42000000**	**99.99**	**–**

Category of Shareholders	No. of Shares held as on April 01, 2016				No. of Shares held as on March 31, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Phsical	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	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Public Shareholding (B) = (B)(1)+ (B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	**41999995**	**6***	**42000000**	**100**	**41999995**	**6***	**42000000**	**100**	**–**

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

(ii) Shareholding of Promoters

Sl No	Shareholders Name	Shareholding as on April 01, 2016			Shareholding as on March 31, 2017			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Share	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	L&T Infrastructure Development Projects Limited (including nominees)	41999900	99.99	Nil	41999900	99.99	Nil	–
2	Larsen & Toubro Limited	100	0.01	Nil	100	0.01	Nil	–
	Total	**42000000**	**100**	**Nil**	**42000000**	**100**	**Nil**	**–**

(iii) Change in Promoters' Shareholding: No change in shareholding of promoters

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	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
	As on April 01, 2016	2	0.001	2	0.001
	Date wise Increase / Decrease in Shareholding during the year	–	–	–	–
	As on March 31, 2017	2	0.001	2	0.001

V. INDEBTEDNESS

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

(Amount in ₹)

Particulars of indebtedness	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
As on April 01, 2016			
i) Principal Amount	3,42,45,76,986		3,42,45,76,986
ii) Interest due but not paid	–	–	–
iii) Interest accrued but not due	–	–	–
Total (i+ii+iii)	**3,42,45,76,986**	**–**	**3,42,45,76,986**
Change the financial year			**–**
· Addition			–
· Reduction	–		–
Net Change	–	–	–
As on March 31, 2017			
i) Principal Amount	3,42,45,76,986	–	3,42,45,76,986
ii) Interest due but not paid	–	–	–
iii) Interest accrued but not due	–	–	–
Total (i+ii+iii)	**3,42,45,76,986**	**–**	**3,42,45,76,986**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: No Manager in the Company. Hence not applicable.

B. Remuneration to other directors:

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	**Dr. Ashwin Mahalingam**	**Mr. K. P. Raghavan**	
	Fee for attending board meeting	₹.50,000/-	₹.1,00,000/-	₹ 1,50,000/-
	Fee for committee meetings	₹.30,000/-	₹.50,000/-	₹.80,000/-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	**₹.80,000/-**	**₹.1,50,000/-**	**₹.2,30,000/-**
2	Other Non-Executive Directors			
	1. Mr. T.S.Venkatesan	Nil		
	2. Mr. P.G.Suresh Kumar			
	No Fee for attending board / committee Meetings and no Commission	Nil		
	Total (2)			
	Total (B)=(1+2)	**₹.80,000/-**	**₹.1,50,000/-**	**₹.2,30,000/-**
	Total Managerial Remuneration	**NA**	**NA**	**NA**
	Overall Ceiling as per the Act (sitting fees)	Not more than ₹ 1,00,000/- per meeting of Board or Committee Meeting		

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

No remuneration was paid to KMP of the Company. Mr. C.Ramanan, CFO of the Company is employed by the Holding Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

	T. S. VENKATESAN	**P. G. SURESH KUMAR**
Place: Chennai	*Director*	*Director*
Date: April 25, 2017	*DIN: 01443165*	*DIN: 07124883*

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF L&T CHENNAI TADA TOLLWAY LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of **L&T Chennai Tada Tollway Limited** ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

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

EMPHASIS OF MATTER

We draw attention to:

i) The Note no. 11 to the financial statements which states that Due to the authority default company terminated the project with effect from June 24th 2015. Due to inaction of the authority on termination notice, company filed an application under Sec 9 of Arbitration and Conciliation act before the Hon' High Court of Delhi. On the direction of court, authority took over the project on 23rd June 2016. On an application made by the company the Hon High Court of Delhi directed NHAI to deposit toll collections related to the Project with the Escrow Account of the company till the decision of arbitration tribunal with respect to termination payment determination and settlement. These collections are adjusted towards "NHAI receivable amount towards the Termination claim. In view of the above management is confident of realizing all amounts accounted as 'Receivable from NHAI - Termination payment' under 'Current Assets' of note no. F to the Financial Statements.

ii) The Note no. 12 which states that going concern assumption is not appropriate, hence the financial statements have been drawn up accordingly.

iii) Secured lender have issued "NOTICE RECALLING LOANS" for repayment of entire outstanding loans.

Our opinion is not modified in respect of this matter.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure, a statement on the matters specified in the paragraph 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

   (c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

   (d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued there under;

   (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure -A"; and

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

      i. The company has not pending litigation which would impact its financial position;

      ii. The company did not have any long-term contract including derivative contract for which there were any material foreseeable losses;

      iii. There were no amounts which were required by the company to be transferred to the Investor Education and Protection Fund, and;

      iv. The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. (refer note C14)

For GIANENDER & ASSOCIATES
Chartered Accountants
(Firm's Registration No. 004661N)

Manju Agrawal
(Partner)
(M No. 083878)

Place: New Delhi
Date: April 25, 2017

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

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

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

   b) The Fixed Assets were physically verified by the company before their disposal and no material discrepancies were noticed on such verification

   c) The company has no immoveable properties held.

ii. As the company is engaged in the business of infrastructure development, operations and its maintenance and there is no inventory in hand at any point of time, hence paragraph 3(ii) of the Order is not applicable to the company.

iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.

iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.

v. The Company has not accepted deposits in terms of the provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under. Therefore the paragraph 3(v) of the Order is not applicable to the company.

vi. The Company is prima-facie maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

vii. a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2017, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable.

   b) According to the information and explanations given to us, there were no statutory dues pending in respect of income tax, sales tax, VAT, custom duty and cess etc. on account of any dispute.

viii. In our opinion and according to the information and explanation provided to us, the company has defaulted in payment of outstanding amount of loan amounting to ₹ 342,45,76,986 and related interest thereon amounting to ₹ 20,25,36,968 as the secured lenders have issued "NOTICE RECALLING LOANS" dues to banks. The company has not taken any loans or borrowings from Government.

ix. Money raised by way of term loans were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer.

x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.

xi. The Company has not paid any managerial remuneration, hence therefore para 3(xi) of the Order is not applicable to the company.

xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable to the company.

xiii. In our opinion and according to the information provided to us, the transaction entered with the related partied are in compliance with section 177 and 188 of the Act and are disclosed in the financial statements as required by the applicable accounting standards.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, therefore para 3(xiv) of the Order is not applicable to the company.

xv. According to the information provided to us, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under section 192 of the Companies Act 2013. Therefore, paragraph 3(xv) of the Order is not applicable to the company.

xvi. According to the information provided to us, the company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the company.

For GIANENDER & ASSOCIATES
Chartered Accountants
(Firm's Registration No. 004661N)

Manju Agrawal
(Partner)
(M No. 083878)

Place: New Delhi
Date: April 25, 2017

ANNEXURE-A

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

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

We have audited the internal financial controls over financial reporting of **L&T Chennai Tada Tollway Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For GIANENDER & ASSOCIATES
Chartered Accountants
(Firm's Registration No. 004661N)

Manju Agrawal
(Partner)
(M No. 083878)

Place: New Delhi
Date: April 25, 2017

BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note	As at March 31, 2017 (₹)	As at March 31, 2016 (₹)	As at April 01, 2015 (₹)
ASSETS				
(1) Non-current assets				
a) Property, Plant and Equipment	1	–	6,497,112	8,532,162
b) Intangible assets	2	–	–	5
c) Intangible assets under development	3	–	4,280,777,594	4,063,169,109
d) Financial Assets				
i) Loans	4	–	1,973,905	1,909,244
f) Other non-current assets	5	–	230,055	6,266,277
		–	4,289,478,666	4,079,876,797
Current assets				
a) Financial Assets				
i) Investments	6	–	–	27,824,491
ii) Cash and bank balances	7	623,902	10,693,621	4,319,198
iii) Bank balances other than cash and cash equivalents	8	4,073,241	–	–
b) Current Tax Assets (net)	5	13,685,770	4,652,870	4,032,857
c) Other current assets	5	4,178,549,856	19,040,107	22,847,567
		4,196,932,769	34,386,598	59,024,113
Total Assets		4,196,932,769	4,323,865,264	4,138,900,910
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share capital	9	420,000,000	420,000,000	420,000,000
b) Other Equity	10	(50,574,095)	(2,014,742)	(1,945,813)
		369,425,905	417,985,258	418,054,187
LIABILITIES				
(1) Non-current liabilities				
a) Financial liabilities				
i) Borrowings	11	–	3,287,537,708	3,337,026,803
b) Provisions	13	–	2,153,407	1,489,731
		–	3,289,691,115	3,338,516,534
Current liabilities				
a) Financial liabilities				
i) Borrowings	11	3,549,725,158	249,378,000	166,252,000
ii) Trade payables	15	72,086,105	37,766,005	168,334,787
iii) Other financial liabilities	12	202,536,968	159,667,040	11,626,343
b) Other current liabilities	14	3,158,633	169,377,846	36,117,059
		3,827,506,864	616,188,891	382,330,189
Total Equity and Liabilities		4,196,932,769	4,323,865,264	4,138,900,910
Contingent liabilities	A			
Commitments	B			
Other notes forming part of accounts	C			
Significant accounting policies	D			

As per our report attached
For **GIANENDER & ASSOCIATES**
Chartered Accountants
(Firm registration no.: 004661N)
by the hand of
MANJU AGRAWAL
Partner
Membership No.: 083878

Place : Chennai
Date : April 25, 2017

For and on behalf of the Board

C. RAMANAN
Chief Financial Officer

T. S. VENKATESAN
Director
DIN: 01443165

P. G. SURESH KUMAR
Director
DIN: 07124883

Place : Chennai
Date : April 25, 2017

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

Particulars	Note	2016-17 (₹)	2016-17 (₹)	*2015-16* (₹)	*2015-16* (₹)
REVENUE					
Construction contract revenue			–		*217,294,948*
Total income			–		*217,294,948*
EXPENSES					
Construction contract expenses			–		*217,294,948*
Employee benefit expenses	**16**		**166,977**		–
Finance costs	**17**		**46,583,630**		–
Administration and other expenses	**18**		**1,877,675**		–
Total expenses			**48,628,282**		*217,294,948*
Profit/(loss) before exceptional items and tax			**(48,628,282)**		–
Tax Expense:					
Current tax		–		–	
Deferred tax		–		–	
			–		–
Profit/(loss) for the year			**(48,628,282)**		–
Loss for the year			**(48,628,282)**		–
Other Comprehensive Income					
Not reclassifiable to profit or loss in subsequent periods			–		
Total Comprehensive Income for the year			**(48,628,282)**		–
Earnings per equity share (Basic and Diluted)	**Note C 9**		**(1.16)**		–
Face value per equity share			**10.00**		*10.00*

As per our report attached
For **GIANENDER & ASSOCIATES**
Chartered Accountants
(Firm registration no.: 004661N)
by the hand of
MANJU AGRAWAL
Partner
Membership No.: 083878

Place : Chennai
Date : April 25, 2017

For and on behalf of the Board

C. RAMANAN
Chief Financial Officer

T. S. VENKATESAN
Director
DIN: 01443165

P. G. SURESH KUMAR
Director
DIN: 07124883

Place : Chennai
Date : April 25, 2017

CASH FLOW STATEMENT AS ON MARCH 31, 2017

S. No.	Particulars	2016-17 (₹)	2015-16 (₹)
A	**Net profit / (loss) before tax and extraordinary items**	**(48,628,282)**	-
	Adjustments for		
	Interest expense	**46,583,630**	-
	Mutual fund fair value	**68,929**	
	Operating profit before working capital changes	**(1,975,723)**	-
	Adjustments for:		
	Increase / (Decrease) in long term provisions	**(2,153,407)**	*663,676*
	Increase / (Decrease) in trade payables	**34,320,100**	*(130,568,782)*
	Increase / (Decrease) in other current liabilitites	**(166,219,213)**	*133,260,787*
	Increase / (Decrease) in other current financial liabilitites	**42,869,928**	*148,040,697*
	(Increase) / Decrease in loan term loans and advances	**1,973,905**	*(64,661)*
	(Increase) / Decrease in other non-current assets	**230,055**	*6,036,222*
	(Increase) / Decrease in other current assets	**(4,159,509,749)**	*3,807,461*
	Net cash generated from/(used in) operating activities	**(4,250,464,104)**	*161,175,400*
	Direct taxes paid (net of refunds)	**(9,032,899)**	*(620,014)*
	Net Cash(used in)/generated from Operating Activities	**(4,259,497,003)**	*160,555,386*
B	**Cash flow from investing activities**		
	Purchase of fixed assets	**-**	*95,257,967*
	Sale / Transfer of fixed assets	**4,751,209,092**	*5,012*
	Sale of current investments	**-**	*27,755,562*
	Interest received	**-**	*(282,510)*
	Net cash (used in)/generated from investing activities	**4,751,209,092**	*122,736,031*
C	**Cash flow from financing activities**		
	Repayment of long term borrowings	**2,179,278**	*(80,881,095)*
	Proceeds/(repayment) of Loan from/to Parent company	**10,630,172**	*114,518,000*
	Interest paid	**(510,518,017)**	*(310,553,899)*
	Net cash (used in)/generated from financing activities	**(497,708,567)**	*(276,916,994)*
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(5,996,478)**	*6,374,423*
	Cash and cash equivalents as at the beginning of the year	**10,693,621**	*4,319,198*
	Cash and cash equivalents as at the end of the year	**4,697,143**	*10,693,621*

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
For **GIANENDER & ASSOCIATES**
Chartered Accountants
(Firm registration no.: 004661N)
by the hand of
MANJU AGRAWAL
Partner
Membership No.: 083878

Place : Chennai
Date : April 25, 2017

For and on behalf of the Board

C. RAMANAN
Chief Financial Officer

Place : Chennai
Date : April 25, 2017

T. S. VENKATESAN
Director
DIN: 01443165

P. G. SURESH KUMAR
Director
DIN: 07124883

NOTES FORMING PART OF ACCOUNTS

NOTE 1) PROPERTY, PLANT AND EQUIPMENT

(₹)

PARTICULARS	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										
Land	–	–	–	**–**	–	–	–	**–**	**–**	–
Building	–	–	–	**–**	–	–	–	**–**	**–**	–
Plant and Equipment	*1,945,948*	–	1,945,948	**–**	*547,053*	114,004	661,057	**–**	**–**	*1,398,895*
Furniture and fixtures/	*2,085,539*	–	2,085,539	**–**	*341,855*	50,666	392,521	**–**	**–**	*1,743,684*
Vehicles	*424,343*	–	424,343	**–**	*92,581*	30,047	122,628	**–**	**–**	*331,762*
Office equipment	*349,801*	–	349,801	**–**	*190,979*	24,406	215,385	**–**	**–**	*158,822*
Electrical installations	*1,964,086*	–	1,964,086	**–**	–	–	–	**–**	**–**	*1,964,086*
Air conditioning and Refrigeration	*1,392,104*	–	1,392,104	**–**	*556,036*	121,484	677,520	**–**	**–**	*836,068*
Computers, laptops and printers	*243,830*	–	243,830	**–**	*180,035*	30,117	210,152	**–**	**–**	*63,795*
Total	***8,405,651***	**–**	**8,405,651**	**–**	***1,908,539***	**370,724**	**2,279,263**	**–**	**–**	***6,497,112***

(i) Project assets have been handed over to NHAI on 22nd Jun 2016 as per the Hon'ble Delhi High Court Order dated 27th May 2016. The deletion represents both assets disposed off as well as handed over to NHAI.

NOTE 2) INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹)

PARTICULARS	COST			
	As at April 01, 2016	Additions	Disposals	**As at March 31, 2017**
Construction cost	*4,304,180,899*	-4,831,442	4,299,349,457	**–**
Pre-operative expenses pending allocation	*-23,403,305*	240,100,281	216,696,976	**–**
Total	***4,280,777,594***	**235,268,839**	**4,516,046,433**	**–**

(i) Project assets have been handed over to NHAI on 22nd Jun 2016 as per the Hon'ble Delhi High Court Order dated 03rd May 2016.

NOTE 3a) INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	*As at April 01, 2016* ₹	**Additions** ₹	**Transfer** ₹	**As at March 31, 2017** ₹
a) Construction cost				
EPC contract bills	*4,159,054,212*	**(4,831,443)**	**4,154,222,769**	**–**
Other works - Toll Plaza	*145,126,687*	**1**	**145,126,688**	**–**
Total (A)	*4,304,180,899*	**-4,831,442**	**4,299,349,457**	**–**
b) Pre-operative expenses pending allocation				
Concession Fee	*8*	**–**	**8**	**–**
Toll management charges	*151,325,815*	**2,451,328**	**153,777,143**	**–**
Security charges	*40,539,086*	**2,082,960**	**42,622,046**	**–**
Insurance	*27,703,994*	**1,769,702**	**29,473,696**	**–**

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars	*As at April 01, 2016* ₹	**Additions** ₹	**Transfer** ₹	**As at March 31, 2017** ₹
Repairs and maintenance	–		–	–
Toll Road and Bridge	*218,285,365*	**10,092,612**	**228,377,977**	–
Plant and machinery	–	**1,338,319**	**1,338,319**	–
Others	*9,928,374*	**1,053,576**	**10,981,950**	–
Power and fuel	*42,209,263*	**1,977,831**	**44,187,094**	–
Depreciation and amortisation	*23,806,790*	**370,724**	**24,177,514**	–
Salaries and wages	*88,405,007*	**1,613,574**	**90,018,581**	–
Contribution and provisions for	–		–	–
Provident fund	*4,138,629*	**105,507**	**4,244,136**	–
Gratuity	*857,539*	**(599,015)**	**258,524**	–
Compensated absences	*1,827,990*	**(746,758)**	**1,081,232**	–
Retention pay	*329,164*	**(329,164)**	–	–
Staff Welfare Expenses	*12,497,822*	**350,737**	**12,848,559**	–
Interest on borrowings (term loans)	*1,882,265,843*	**460,220,685**	**2,342,486,528**	–
Bank charges and bank guarantee charges	*10,699,870*	**226,147**	**10,926,017**	–
Finance Charges Others	–	–	–	–
Rent, rates and taxes	*10,320,220*	**10,298**	**10,330,518**	–
Professional fees	*183,327,016*	**738,286**	**184,065,302**	–
Postage and Communication expenses	*3,357,669*	**46,692**	**3,404,361**	–
Printing and Stationery	*5,679,647*	**36,319**	**5,715,966**	–
Travelling and conveyance	*38,860,147*	**552,551**	**39,412,698**	–
Additional concession fee	*704,950,686*	**(98,617,708)**	**606,332,978**	–
Prior period adjustment	*1,309,637*	–	**1,309,637**	–
Miscellaneous expenses	*12,187,262*	**8,927**	**12,196,189**	–
Less:	–		–	–
Toll collections	*3,457,511,376*	**135,438,951**	**3,592,950,327**	–
Other income	*49,737,671*	**181,999**	**49,919,670**	–
Less: Current tax thereon including previous year	*9,032,899*	**(9,032,899)**	–	–
TOTAL (B)	*(23,403,305)*	**240,100,281**	**216,696,976**	–
GRAND TOTAL (A+B)	*4,280,777,594*	**235,268,839**	**4,516,046,433**	–
Add:				
Asset value transferred @ WDV value on handing over date			**2,648,473**	
Utility receivable transferred to NHAI			**9,784,400**	
Electricity Deposits transferred to NHAI acount			**2,213,555**	
Insurnace amount debited by Bank			**2,370,569**	
Legal Payment debited by Bank			**150,005**	
Less:				
Amount received from NHAI (toll deposited)			**(355,676,346)**	
Balanace NHAI receivable account			**4,177,537,089**	–

NOTES FORMING PART OF ACCOUNTS (Contd.)

NOTE 1) PROPERTY, PLANT AND EQUIPMENT

(₹)

PARTICULARS	COST				DEPRECIATION				BOOK VALUE	
	As at April 01, 2015	Additions	Disposals	*As at March 31, 2016*	*As at April 01, 2015*	For the year	On Disposals	*As at March 31, 2016*	*As at March 31, 2016*	*As at April 01, 2015*
Owned										
Land	–	–	–	–	–	–	–	–	–	–
Building	–	–	–	–	–	–	–	–	–	–
Plant and Equipment	*1,945,948*	–	–	*1,945,948*	–	547,053	–	*547,053*	*1,398,895*	*1,945,948*
Furniture and fixtures	*2,087,373*	–	1,834	*2,085,539*	–	341,855	–	*341,855*	*1,743,684*	*2,087,373*
Vehicles	*424,343*	–	–	*424,343*	–	835,330	742,749	*92,581*	*331,762*	*424,343*
Office equipment	*393,366*	–	43,565	*349,801*	–	272,603	81,624	*190,979*	*158,822*	*393,366*
Electrical installations	*1,964,086*	–	–	*1,964,086*	–	–	–	–	*1,964,086*	*1,964,086*
Air conditioning and Refrigeration	*1,392,104*	–	–	*1,392,104*	–	556,036	–	*556,036*	*836,068*	*1,392,104*
Computers, laptops and printers	*324,942*	–	81,112	*243,830*	–	180,035	–	*180,035*	*63,795*	*324,942*
Total	**8,532,162**	**–**	**126,511**	**8,405,651**	**–**	**2,732,912**	**824,373**	**1,908,539**	**6,497,112**	**8,532,162**

NOTE 2) INTANGIBLE ASSETS

(₹)

PARTICULARS	COST				AMORTISATION				BOOK VALUE	
	As at April 01, 2015	Additions	Disposals	*As at March 31, 2016*	*As at April 01, 2015*	For the year	On Disposals	*As at March 31, 2016*	*As at March 31, 2016*	*As at April 01, 2015*
Specialised Software	–	–	–	–	–	–	–	–	–	–
Toll collection rights	*12,615,672*	–	12,615,672	–	*12,615,667*	–	12,615,667	–	–	5
Total	*12,615,672*	–	12,615,672	–	*12,615,667*	–	12,615,667	–	–	5

NOTE 3) INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹)

PARTICULARS	COST			
	As at April 01, 2015	Additions	Disposals	*As at March 31, 2016*
Construction cost	*4,248,379,484*	55,801,415		*4,304,180,899*
Pre-operative expenses pending allocation	*-185,210,375*	161,807,070		*-23,403,305*
Total	*4,063,169,109*	217,608,485	–	*4,280,777,594*

(a) The Borrowing cost included in pre-operative expenses pending allocation during the year is ₹.47,02,20,939/-

NOTES FORMING PART OF ACCOUNTS (Contd.)

NOTE 4) LOANS

Particulars		**March 31, 2017**			*March 31, 2016*			*April 01, 2015*	
	Current	**Non-current**	**Total**	*Current*	*Non-current*	*Total*	*Current*	*Non-current*	*Total*
	₹	₹	₹	₹	₹	₹	₹	₹	₹
a) Security deposits									
Unsecured, considered good	–	–	–	–	1,973,905	1,973,905	–	1,909,244	1,909,244
	–	–	–	–	1,973,905	1,973,905	–	1,909,244	1,909,244

NOTE 5) OTHER NON-CURRENT AND CURRENT ASSETS

Particulars		**March 31, 2017**			*March 31, 2016*			*April 01, 2015*	
	Current	**Non-current**	**Total**	*Current*	*Non-current*	*Total*	*Current*	*Non-current*	*Total*
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Capital advances									
For intangible assets under development	–	–	–	–	–	–	–	6,031,472	6,031,472
Advances other than capital advances									
Advances to related parties	–	–	–	11,000	–	11,000	–	–	–
Advances to employees	–	–	–	–	230,055	230,055	–	234,805	234,805
Other advances	4,177,537,089	–	4,177,537,089	16,049,178	–	16,049,178	21,518,850	–	21,518,850
Advance recoverable other than in cash									
Prepaid Insurance	–	–	–	1,766,137	–	1,766,137	315,950	–	315,950
Prepaid expenses	–	–	–	201,025	–	201,025	–	–	–
VAT recoverable	1,012,767	–	1,012,767	1,012,767	–	1,012,767	1,012,767	–	1,012,767
Income tax net of previous year provisions			–	–		–	–		–
	4,178,549,856	–	4,178,549,856	19,040,107	230,055	19,270,162	22,847,567	6,266,277	29,113,844
Income tax									
Income tax net of provisions	13,685,770		13,685,770	4,652,870		4,652,870	4,032,857		4,032,857
	13,685,770	–	13,685,770	4,652,870	–	4,652,870	4,032,857	–	4,032,857

(a) Current year Other advances represents receivable amount from NHAI net of the amount of toll collected from the project being deposited in Escrow account as per direction of Hon'ble Delhi High Court. The above referred receivable amount from NHAI is net of estimated provision and is lesser amount than the recoverable amount towards termination compensation by the Company, pursuant to the termination of the concession agreement entered into with the National Highway Authorities of India (NHAI). The nature of default and the termination amount claimed has not been accepted by NHAI and arbitration proceedings have been initiated in respect of the disputes relating to the termination payments/claims.

The Management has carried out an assessment of its exposure in these projects duly considering the expected payments arising out of the aforesaid termination and the likely outcome of the arbitration proceedings, contractual stipulations/ interpretation of the relevant clauses including the possible obligations to lenders, legal advice, etc. and believes that the net amount of termination compensation recoverable carried in the books is good for recovery and no additional provision/adjustment to the same is considered necessary by the Management as at 31 March 2017.

NOTES FORMING PART OF ACCOUNTS (Contd.)

NOTE 6) INVESTMENTS

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity Units	Current ₹	Quantity Units	Current ₹	Quantity Units	Current ₹
Investments at fair value through Profit and loss						
Investments in mutual funds	–	–	–	–		27,824,491
	–	–	–	–		27,824,491

Particulars of Investments	Quantity Units	Book value ₹	Quantity Units	Book value ₹	Quantity Units	Book value ₹
Religare Mutual Fund	–	–	–	–	1,769.242	3,354,346
IDFC Mutual Fund	–	–	–	–	2,831.082	4,713,670
SBI Mutual Fund	–	–	–	–	2,717.601	5,898,215
Reliance Mutual Fund	–	–	–	–	8,269.854	12,189,271
L&T Mutual Fund	–	–	–	–	608.029	1,151,523
UTI Mutual Fund	–	–	–	–	59.277	135,000
Aggregate amount of quoted investments	–	–	–	–		27,442,025

NOTE 7) CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹	As at April 01, 2015 ₹
a) Balances with banks	–	–	–
Trust retention and escrow accounts	–	7,316,719	2,140,717
Other accounts	623,779	188,356	64,619
b) Cash on hand	123	3,188,546	2,113,862
	623,902	10,693,621	4,319,198

NOTE 8) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹	As at April 01, 2015 ₹
a) Balances with banks			
Restricted bank balance	4,073,241	–	–
	4,073,241	–	–

NOTE 9) SHARE CAPITAL

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	₹
(i) Authorised, issued, subscribed and paid up						
Authorised:						
Equity shares of ₹ 10 each	42,000,000	420,000,000	42,000,000	420,000,000	42,000,000	420,000,000
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each	42,000,000	420,000,000	42,000,000	420,000,000	42,000,000	420,000,000

NOTES FORMING PART OF ACCOUNTS (Contd.)

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*	*₹*
(ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:						
At the beginning of the year	**42,000,000**	**420,000,000**	*42,000,000*	*420,000,000*	*42,000,000*	*420,000,000*
Issued during the year as fully paid		**–**		*–*		*–*
Others	**–**	**–**		*–*		*–*
At the end of the year	**42,000,000**	**420,000,000**	*42,000,000*	*420,000,000*	*42,000,000*	*420,000,000*

(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.

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*	*₹*
(v) Details of Shares held by Holding Company/Ultimate Holding Company/ its subsidiaries or associates:						
L&T Infrastructure Development Projects Limited (including nominee holding)	**41,999,900**	**419,999,000**	*41,999,900*	*419,999,000*	*41,999,900*	*419,999,000*
Larsen and Toubro Limited (ultimate holding company)	**100**	**1,000**	*100*	*1,000*	*100*	*1,000*
	42,000,000	**420,000,000**	*42,000,000*	*420,000,000*	*42,000,000*	*420,000,000*
(vi) Details of Shareholders holding more than 5% shares in the company:						
	No. of shares	**%**	*No. of shares*	*%*	*No. of shares*	*%*
L&T Infrastructure Development Projects Limited (including nominee holding)	**41,999,900**	**10000%**	*41,999,900*	*10000%*	*41,999,900*	*10000%*
Larsen and Toubro Limited (including nominee holding)	**100**	**0%**	*100*	*0%*	*100*	*0%*

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

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

Statement of Changes in Equity for the year ended March 31, 2017

NOTE J) EQUITY SHARE CAPITAL

Balance at the beginning of the reporting period		Changes in equity share capital during the year		*Balance at the end of the reporting period*	
No of shares	**₹**	**No of shares**	**₹**	**No of shares**	**₹**
42,000,000	**420,000,000**	**–**	**–**	**42,000,000**	**420,000,000**

NOTES FORMING PART OF ACCOUNTS (Contd.)

NOTE 10) OTHER EQUITY AS ON 31.03.2017

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus Retained earnings	Total
Balance at the beginning of the reporting period	–	–	(2,014,742)	(2,014,742)
Restated balance as at the beginning of the reporting period			68,929	68,929
Transfer to retained earnings		–		–
Total comprehensive income for the year			(48,628,282)	(48,628,282)
Balance at the end of the year	–	–	(50,574,095)	(50,574,095)

OTHER EQUITY AS ON 31.03.2016

Particulars	*Share application money pending allotment*	*Equity component of compound financial instruments*	*Reserves & Surplus* *Retained earnings*	*Total*
Balance at the beginning of the reporting period	–	–	*(1,945,813)*	*(1,945,813)*
Restated balance as at the beginning of the reporting period			*(68,929)*	*(68,929)*
Balance at the end of the reporting period	–	–	*(2,014,742)*	*(2,014,742)*

NOTE 11) BORROWINGS

Particulars	As at March 31, 2017 Current	Non-current	Total	*As at March 31, 2016* Current	Non-current	Total	*As at April 01, 2015* Current	Non-current	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Secured borrowings									
a) Term loans									
i) From banks	3,424,576,986	–	3,424,576,986	*249,378,000*	*3,173,019,708*	*3,422,397,708*	*166,252,000*	*3,337,026,803*	*3,503,278,803*
Unsecured borrowings									
a) Loans from related parties	125,148,172	–	125,148,172	–	114,518,000	114,518,000	–	–	–
	3,549,725,158	–	3,549,725,158	249,378,000	3,287,537,708	3,536,915,708	166,252,000	*3,337,026,803*	*3,503,278,803*

Particulars	Effective rate of interest 2016-17	*2015-16*	Terms of Repayment
Rupee Term loans Andhra Bank IDBI Vijaya Bank United Bank of India	Refer note*	*12.27%*	Repayable in unequal quarterly instalments from December 31, 2013 till June 30, 2024, ranging from ₹ 1,18,75,000 to ₹ 26,12,50,000.
Unsecured Loan from Holding company		*G-sec rate on the date of availing loan*	Repayable post settlement of Rupee Term Loans

Particulars	As at March 31, 2017	*As at March 31, 2016*
Long term borrowings	–	*3,175,198,986*
Current maturities of long term borrowings	3,424,576,986	*249,378,000*
	3,424,576,986	*3,424,576,986*

*The use of Effective interest rate (EIR) in valuation of the borrowing is not appropriate consequent to the “loan recall notice” issued by the lenders.

NOTES FORMING PART OF ACCOUNTS (Contd.)

NOTE 12) OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
a) Interest accrued and due on term loans	**202,536,968**	**–**	**202,536,968**	*159,667,040*	–	*159,667,040*	–	–	–
b) Revenue share payable	**–**	**–**	**–**	–	–	–	*11,626,343*	–	*11,626,343*
	202,536,968	**–**	**202,536,968**	*159,667,040*	–	*159,667,040*	*11,626,343*	–	*11,626,343*

NOTE 13) PROVISIONS

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Provision for employee benefits	**–**	**–**	**–**	–	*2,153,407*	*2,153,407*	–	*1,489,731*	*1,489,731*
	–	**–**	**–**	–	*2,153,407*	*2,153,407*	–	*1,489,731*	*1,489,731*

NOTE 14) OTHER NON-FINANCIAL LIABILITIES

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
i) Company owned car scheme	**–**	**–**	**–**	–	–	–	–	–	–
ii) Other liabilities	**3,134,215**	**–**	**3,134,215**	*167,870,334*	–	*167,870,334*	*33,360,128*	–	*33,360,128*
iii) Statutory payables	**24,418**	**–**	**24,418**	*1,507,512*	–	*1,507,512*	*2,756,931*	–	*2,756,931*
	3,158,633	**–**	**3,158,633**	*169,377,846*	–	*169,377,846*	*36,117,059*	–	*36,117,059*

NOTE 15) TRADE PAYABLES

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
	₹	₹	₹
Acceptances			
Due to related parties (net of receivables)	**18,806,403**	*24,045,422*	*55,127,580*
Due to others	**53,279,702**	*13,720,583*	*113,207,207*
	72,086,105	*37,766,005*	*168,334,787*

A CONTINGENT LIABILITIES

The Company has a Contingent liabilities of ₹ 13,63,03,014 towards demand notice under sec. 156 of Income tax act 1961, pertaining to assesment year 2012-13 for an amount of ₹ 63,17,224 and assessment year 2014 - 15 for an amount of ₹ 12,99,85,790 (previous year: ₹ 63,17,224)

B COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹.Nil.(previous year: NIL)

NOTES FORMING PART OF ACCOUNTS (Contd.)

NOTE 16) EMPLOYEE BENEFIT EXPENSES

Particulars	2016-17		2015-16	
	₹	₹	₹	₹
Salaries, wages and bonus		**147,157**		–
Contributions to and provisions for:				
Provident fund	**9,208**		–	
		9,208		–
Staff welfare expenses		**10,612**		–
		166,977		–

NOTE 17) FINANCE COSTS

Particulars	2016-17		2015-16	
	₹	₹	₹	₹
Interest on borrowings		**46,583,630**		–
		46,583,630		–

NOTE 18) ADMINISTRATION AND OTHER EXPENSES

Particulars	2016-17		2015-16	
	₹	₹	₹	₹
Rent, rates and taxes		**21,740**		–
Professional fees		**1,850,929**		–
Printing and stationery		**385**		–
Travelling and conveyance		**4,621**		–
		1,877,675		–

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

Particulars	2016-17	2015-16
	₹	₹
a) As auditor	**309,925**	*0*
b) For taxation matters	**–**	*0*
c) For company law matters	**–**	*0*
d) For other services	**–**	*0*
Total	**309,925**	–

C) NOTES FORMING PART OF ACCOUNTS

1) Corporate Information

"L&T Chennai Tada Tollway Limited, a Special Purpose Vehicle (SPV) incorporated for the purpose of widening of existing four lanes to six lanes from KM 11.00 to KM 54.40 on Chennai-Tada Section of NH 5 in the state of Tamilnadu under Concession Agreement dated June 3, 2008 with the National Highways Authority of India to be executed as BOT (TOLL) on DBFO Pattern under NHDP Phase V. The Concession Agreement is for a period of 15 years from the Appointed Date stated in clause 3.1 of the said agreement. The Company had terminated the project on account of Authority default on 24th Jun 2015 and handed over the project to National Highways Authority of India on 22nd Jun 2016. The Company's request of Termination payment is now under Arbitration."

2) The Statement of Profit and loss has been drawn to comply with the provisions of the Companies Act, 2013. However, the company has not commenced commercial operation.

3) The Company has not earned any income/incurred any expenditure in foreign currency during the year. (previous year: ₹ Nil)

NOTES FORMING PART OF ACCOUNTS (Contd.)

4) 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 ₹ 1,14,715 (previous year : ₹ 5,21,113) being contribution made to recognised provident fund is recognised as expense and included under intangible assets under development.

(ii) Defined benefit plans:

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

b) 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	–	–
- Wholly unfunded		*739,991*
	–	*739,991*
Less : Fair value of plan assets	–	–
Amount to be recognised as liability or (asset)	–	*739,991*
B) Amounts reflected in the Balance Sheet		
Liabilities	–	*739,991*
Assets	–	–
Net Liability / (asset)	–	*739,991*

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

Particulars		**Gratuity plan**	
		As at March 31, 2017	*As at March 31, 2016*
		₹	₹
1	Current service cost		*55,131*
2	Interest on Defined benefit obligation		*52,304*
3	Expected return on plan assets		
4	Actuarial losses/(gains)	**(599,015)**	
	From changes in demographic assumptions		
	From changes in financial assumptions		*17,214*
5	Past service cost	–	–
6	Actuarial gain/(loss) not recognised in books	–	–
7	Adjustment for earlier years	–	–
Total (1 to 7)		**(599,015)**	*124,649*
I	Amount included in "employee benefit expenses"	**(599,015)**	*124,649*
II	Amount included as part of "finance costs"	–	–
Total (I + II)		**(599,015)**	*124,649*
Actual return on plan assets		–	–

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

e) 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	**739,991**	*615,342*
Add: Current service cost	**–**	*55,131*
Add: Interest cost	**–**	*52,304*
Add: Contribution by plan participants		
i) Employer	**–**	–
ii) Employee	**–**	–
Add/(less): Actuarial losses/(gains)	**(599,015)**	*17,214*
Less: Benefits paid	**140,976**	
Add: Past service cost	**–**	–
Closing balance of the present value of defined benefit obligation	**–**	*739,991*

f) Principal actuarial assumptions at the Balance Sheet date:

Particulars		As at March 31, 2017	As at March 31, 2016
1)	Discount rate	**Not applicable**	*7.80%*
2)	Salary growth rate		*6.00%*
3)	Attrition rate		*9.00%*

g) The expected contributions to the defined benefit plan in the next annual reporting period (March 31, 2018) is ₹ NIL

h) The Company does not have employees on roll effective 01st Jul 2016. Hence, the disclosure of Gratuity provision as at 31st Mar 2017 is not applicable

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

Borrowing cost included under Intangible assets under development for the year ₹ 46,02,20,685 (previous year : ₹ 47,02,20.939).

6) 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.

7) 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 Deccan Tollway Limited
Krishnagiri Thopur Toll Road Limited
Devihalli Hassan Tollway Limited
L&T Interstate Road Corridor Limited
Kudgi Transmission Limited
L&T Krishnagiri Walajahpet Tollway Limited
L&T Transportation Infrastructure Limited

NOTES FORMING PART OF ACCOUNTS (Contd.)

b) **Disclosure of related party transactions:**

Particulars	2016-17	2015-16
	₹	₹
1 Holding Company		
L&T Infrastructure Development Projects Limited		
• Purchase of goods and services	**–**	*1,249,153*
• Advance paid	**–**	*100,000*
• Loan Received	**8,390,511**	*114,518,000*
• Interest Accured but not paid	**–**	*2,239,661*
• Reimbursement of expenses to	**–**	*11,000*
• Sale of fixed assets	**–**	*5*
• Refundable deposit received for directors' nomination	**100,000**	*100,000*
2 Ultimate Holding Company		
Larsen & Toubro Limited		
• Advance Paid	**14,260**	*40,420*
• Purchase of goods and services	**5,209**	*1,405,915*
• Reimbursement of expenses to	**91,240**	*646,485*
3 Fellow Subsidiaries		
Krishnagiri Thopur Toll Road Limited		
• Reimbursement of expenses from	**15,891**	*24,905*
• Sale of asset & materials	**84,915**	*–*
Devihalli Hassan Tollway Limited		
• Reimbursement of Expenses from	**–**	*–*
• Sale of asset & materials	**509,759**	*–*
L&T Transportation Infrastructure Limited		
• Purchase of goods and services	**–**	*5*
• Sale of asset & materials	**8,968**	*–*
L&T Krishnagiri Walajahpet Tollway Limited		
• Sale of asset & materials	**2,353,963**	*–*
Kudgi Transmission Limited		
• Sale of asset & materials	**40,895**	*–*
L&T Deccan Tollways Limited		
• Sale of asset & materials	**1,365,708**	*–*
L&T Interstate Road Corridor Limited		
• Sale of asset & materials	**635,934**	*–*
L&T General Insurance Company Limited		
• Purchase of goods and services	**–**	*4,423,870*

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

		(Amount in ₹)
Particulars	**Amounts due (to)/from**	
	As at March 31, 2017	*As at March 31, 2016*
Ultimate Holding Company		
Larsen & Toubro Limited	**(23,903,154)**	*(24,045,422)*
Holding Company		
L&T Infrastructure Development Projects Limited		
Unsecured loan (incl accrued interest)	**(125,148,172)**	*(116,746,661)*
Fellow Subsidiaries		
L&T Deccan Tollway Limited	**1,365,708**	–
Krishnagiri Thopur Toll Road Limited	**69,024**	–
Devihalli Hassan Tollway Limited	**509,759**	–
L&T Interstate Road Corridor Limited	**635,934**	–
Kudgi Transmission Limited	**40,895**	–
L&T Krishnagiri Walajahpet Tollway Limited	**2,466,463**	–
L&T Transportation Infrastructure Limited	**8,968**	–

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.

8) Disclosure pursuant to Ind AS 17 "Leases"

The Company has not acquired any assets either under Finance lease or under Operating lease. Hence disclosures pertaining to Ind AS 17 - "Leases" are not applicable.

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

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

Particulars		**2016-17**	*2015-16*
		₹	₹
Basic and Diluted			
Profit after tax as per accounts (₹)	A	**(48,628,282)**	–
Weighted average number of shares outstanding	B	**42,000,000**	*42,000,000*
Basic and Diluted EPS (₹)	A / B	**(1.16)**	–
Face value per equity share (₹)		**10.00**	*10.00*

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

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

11) Arbitration

Due to the authority default, company terminated the project with effect from June 24th 2015. Due to inaction of the authority on termination notice, company filed an application under Sec 9 of Arbitration and Conciliation Act before the Hon' High Court of Delhi. On the direction of Court, authority took over the project on 23rd June 2016.

On an application made by the company, the Hon High Court of Delhi directed NHAI to deposit toll collections related to the Project with the

NOTES FORMING PART OF ACCOUNTS (Contd.)

Escrow Account of the company till the decision of arbitration tribunal with respect to termination payment determination and settlement.

These collections are adjusted towards "NHAI receivable amount towards the Termination claims.

In view of the above management is confident of realising all amounts accounted as 'Receivable from NHAI - Termination payment' under 'Current Assets' of note no.5 (a) to the Financial Statements.

12) Going concern assumption is not appropriate, hence the financial statements have been drawn up accordingly.

13) The use of Effective interest rate (EIR) in valuation of the borrowing is not approproate consequent to the "loan recall notice" issued by the lenders.

14) Specified Bank Notes

	SBN's - in ₹	Other denomination notes - in ₹	Total - in ₹
Closing cash in hand as on 08.11.2016	–	5,084	5,084
(+) Permitted receipts	–	–	–
(-) Amount deposited in Banks	–	–	–
Closing cash in hand as on 30.12.2016	**–**	**5,084**	**5,084**

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

a) Contingent Liabilities :

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

16) 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.

17) 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.

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

I. SIGNIFICANT ACCOUNTING POLICIES

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

1. Basis of preparation

(a) Compliance with IndAS

The Company's financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (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 two decimal places in line with the requirements of Schedule III. Per share data are presented in Indian Rupees to two decimal places.

3 Revenue recognition

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

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

a) Toll collections from the users of the infrastructure facility constructed by the Company under the Service Concession Arrangement is accounted for based on actual collection, net of revenue share payable under the Concession agreement wherever applicable. Revenue from sale of smart cards is accounted on cash basis.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (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) Dividend income is recognised when the right to receive the same is established by the reporting date.

f) 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.

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

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

8 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.

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

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

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

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

b) Other intangible assets

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

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

10 Foreign currency transactions and translations

a) Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

b) Financial statements of overseas non-integral operations are translated as under :

i) Assets and liabilities at rate prevailing at the end of the year. Depreciation and amortisation is accounted at the same rate at which assets are converted.

ii) Revenues and expenses at yearly average rates prevailing during the year.

c) Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing rate are:

(a) adjusted in the cost of fixed assets specifically financed by the borrowings contracted, to which the exchange differences relate.

(b) recognised as income or expense in the period in which they arise except for:

i. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs in a foreign currency not translated.

ii. exchange differences on transactions entered into in order to hedge certain foreign currency risks; and

iii. exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

d) Financial statements of foreign operations are translated into Indian Rupees as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates; and

(iv) all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve (FCTR) and the same is subsequently reclassified to profit or loss on disposal of a foreign operation."

e) Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalized as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

f) Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortized over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

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. Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve.

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.

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

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

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.

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

(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.

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. 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 Segment reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which

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

operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are as per Indian Accounting Standard 108 "Operating Segments" (IND AS 108) read with SEBI's circular dated 05 July 2016. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. The identification of operating segments and reporting of amounts is consistent with performance assessment and resource allocation by the management.

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

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

16 Leases

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

Finance leases:

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

(b) Property, plant and equipment given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

Operating leases:

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

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

17 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.

18 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.

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

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.

19 Impairment of assets

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

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

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

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

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

20 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.

21 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

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,

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

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

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

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

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

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

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

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

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

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

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

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

Impairment of financial assets (Expected Credit Loss Model)

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset and financial guarantees not designated at FVTPL

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

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

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

22 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.

23 Service tax input credit

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

24 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.

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

25 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.

26 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 recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below:

1. The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 01 April 2015 (transition date).
2. The Company has accounted for changes in a parent's ownership in a subsidiary that does not result in loss of control in accordance with Ind AS 110, prospectively from the date of transition.
3. The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.
4. The Company has opted to continue with the carrying value for all of its PPE & investment property as recognised in its previous GAAP financial as deemed cost at the transition date.
5. Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before 01 April 2015.
6. The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.
7. The company has assessed all contracts and arrangements for embedded leases based on conditions in place as at the date of transition.
8. The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date.
9. The estimates as at 01 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with the Indian GAAP.
10. The Company has not elected the option to reset the cumulative translation differences on foreign operations that exist as of the transition date to zero.
11. The Company has decided to continue with the revenue based amortisation method for existing road concessions.

As per our report attached
For **GIANENDER & ASSOCIATES**
Chartered Accountants
(Firm registration no.: 004661N)
by the hand of
MANJU AGRAWAL
Partner
Membership No.: 083878

Place : Chennai
Date : April 25, 2017

For and on behalf of the Board

C. RAMANAN
Chief Financial Officer

Place : Chennai
Date : April 25, 2017

T. S. VENKATESAN
Director
DIN: 01443165

P. G. SURESH KUMAR
Director
DIN: 07124883