VADODARA BHARUCH TOLLWAY LIMITED
(Formerly known as L&T Vadodara Bharuch Tollway Limited)

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 before depreciation, exceptional and extra ordinary items & tax	**137.15**	*135.99*
Less: Depreciation, amortization and obsolescence	**114.84**	*116.72*
Profit / (loss) before exceptional and extraordinary items and tax	**22.31**	*19.27*
Profit /(loss) before tax	**22.31**	*19.27*
Less: Provision for tax	**4.59**	*2.01*
Profit / (loss) after tax from continuing operations	**17.72**	*17.26*
Add: Balance brought forward from previous year	**(331.08)**	*(340.49)*
Balance available for disposal	**(312.77)**	*(323.23)*
Debenture Redemption Reserve	**17.71**	*7.85*
Balance carried to Balance Sheet	**(330.48)**	*(331.08)*

RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

The Company's name was changed from "L&T Vadodara Bharuch Tollway Limited" to "Vadodara Bharuch Tollway Limited" as approved by the Registrar of Companies with effect from September 02, 2016.

The gross revenue(toll revenue) and other income for the financial year under review were ₹ 275.94 crore as against ₹ 284.52 crore for the previous financial year registering an decreasing of 3.02%. The profit before tax from continuing operations including extraordinary and exceptional items was ₹ 22.32 crore and the profit after tax from continuing operations including extraordinary and exceptional items of ₹ 17.72 crore for the financial year under review as against ₹ 19.27 crore and ₹ 17.26 respectively for the previous financial year, registering an increase of 15.83% and 2.67% respectively.

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

Though the Concessionaires were hopeful of a direct Loss of Revenue compensation, MoRTH and the National Highway Authority of India (NHAI) had issued a standard operating procedure for release of compensation in phases and in line with the Concessionaire Agreement i.e reimbursement of O&M Expenses and Interest Cost. The tolling resumed on December 3, 2016 with an increased patronage for RFID tags, Credit / Debit Card transactions and other non-cash payment wallets. The Company had tied up with the respective agencies and mobilized Point of Sales (POS) in a short period of time along with ramping up the RFID handhelds and RFID enabled lanes at all the plazas. The challenge was handled exceptionally well by the Company and currently there are 19.41% of non-cash transactions as compared to the period prior to Demonetization. The Company has initiated steps to realize the O&M & Interest Costs with NHAI for the period during which the toll operations were suspended.

CAPITAL & FINANCE

The Company raised ₹ 397 crore via issue of 3,97,000 Non-convertible Debentures at ₹ 10,000/- each at a coupon rate of 10.10% per annum to Axis Bank Limited.

CAPITAL EXPENDITURE

As at March 31, 2017 the gross fixed and intangible assets including leased Assets, stood at ₹ 1,449.45 crore and the net fixed and intangible assets, including leased assets, at ₹ 551.98 crore. Capital Expenditure during the year amounted to ₹ 0.27 crore.

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 COMPANIES

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

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

Since the Company is engaged in the business of developing infrastructure facility, the provisions of Section 186 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 the NoteF and G (i)of 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 at ordinary course of business and at arm's length. The Company will adhere to the RPT Policy of the Holding Company and the guidelines thereunder.

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

AMOUNT TRANSFERRED TO RESERVES

During the year, an amount of ₹ 17.71 crore was transferred to Debenture Redemption Reserve.

DIVIDEND

The Directors do not recommend any dividend during the year.

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

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

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS

No significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status of the Company and the Company's operations in future.

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 Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, conservation of energy and technology absorption does not apply to the Company.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year the Company has incurred a sum of ₹ 0.09 crore on foreign currency expenditure.

There were no foreign exchange earnings during the year.

RISK MANAGEMENT POLICY

At the Audit Committee Meeting of its Company held on 21st July, 2015 had reviewed and adopted a Risk Management Policy and the same has been implemented. Risks that are faced by the Company are identified, monitored and appropriate mitigation actions are taken at various levels as needed. There are no Risks in the opinion of the Audit Committee that may threaten the existence of the Company.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2015-16, the net profits of the company was more than ₹ 5 crore, hence pursuant to Section 135 of the Act, the company is required to constitute Corporate Social Responsibility Committee. Accordingly Corporate Social Responsibility Committee was constituted with Mr.N.Raghavan, Mr. Mathew George and Dr. Esther Malini as Members of the Committee. However, since the average net profits for the previous three years is negative, the Company need not spend on Corporate Social Responsibility.

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

Changes in Directors and KMP

No director was liable to retire by rotation of the Company at the Annual General Meeting of the Company held on September 29, 2016.

Mr. T.S.Venkatesan was appointed as Additional Director of the Company with effect from July 13, 2016. He was appointed as Director at the Annual General Meeting of the Company held on September 29, 2016. Subsequently, he resigned as Director of the Company with effect from March 16, 2017.

Mr. P.G.Suresh Kumar resigned as Director of the Company with effect from July 13, 2016.

Mr. Mathew George and Dr. Esther Malini were appointed as Directors of the Company at the Annual general Meeting of the Company held on September 29, 2016.

Mr. K.C. Raman was appointed as Additional Director of the Company with effect from March 16, 2017.

VADODARA BHARUCH TOLLWAY LIMITED
(Formerly known as L&T Vadodara Bharuch Tollway Limited)

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

Sr. No.	Name	Designation	DIN
1	Dr. Esther Malini	Director	07124748
2	Mr. Mathew George	Director	07402208
3	Mr. K.C. Raman	Additional Director	07763969
4	Mr. K.P. Raghavan	Independent Director	00250991
5	Mr. N. Raghavan	Independent Director	00251054

Mr. Sanjay Mathur resigned as Manager of the Company with effect from October 19, 2016.

Mr. Rajesh Tilokani was appointed as Manager of the Company with effect from January 18, 2017.

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

Sr. No.	Name	Designation	Date of appointment
1	Mr. Gobinda Chandra das	Chief Financial Officer	29/10/2014
2	Mr. Rajesh Tilokani	Manager	18/01/2017

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

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

During the year under review 6 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 29, 2016	5	4
July 13, 2016	5	3
September 7, 2016	5	2
October 19, 2016	5	5
January 18, 2017	5	3
March 16, 2017	5	5

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

INFORMATION TO THE BOARD

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

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

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

AUDIT COMMITTEE

The Company has constituted an Audit Committee in terms of the requirements of the Act. The Members of the Audit Committee are Mr. K. P. Raghavan, Mr. N. Raghavan and Dr. Esther Malini.

During the year under review, 5 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 29, 2016	3	3
July 13, 2016	3	2
September 7, 2016	3	2
October 19, 2016	3	3
January 18, 2017	3	2
March 16, 2017	3	3

In accordance with the requirements of the Companies Act, 2013, the Company has established a Vigil Mechanism framework for Directors and employees to report genuine concerns. The Chief Internal Auditor of the Holding Company was 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 Companies Act, 2013.

COMPANY POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION

The Company has constituted the Nomination and Remuneration Committee in accordance with the requirements of the Companies Act, 2013 read with the rules made thereunder. The Members of the Nomination and Remuneration Committee are Mr. K.P. Raghavan, Mr. N. Raghavan and Dr. Esther Malini.

During the year, 3 nomination and remuneration committee meeting were held and the details are given below:

Date	Strength of the Committee	No. of members present
July 13, 2016	3	2
October 19, 2016	3	3
March 16, 2017	3	3

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

DECLARATION OF INDEPENDENCE

The Company has received a Declaration of Independence as stipulated under Section 149(7) of the Companies Act, 2013 confirming that he/she 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 II.

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirm:

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 going concern basis.

e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were 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.

Further, 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 13, 2016. This has been widely disseminated. There were no cases of sexual harassment received in the Company during the year 2016-17.

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS

M.K. Dandeker & Co, hold office until the conclusion of the ensuing Annual General Meeting ("AGM"). The Company in the Tenth Annual General Meeting held on 24th September 2015 for the F-Y 2015-16 had appointed M.K. Dandeker & Co, Chartered Accountants, (Firm Reg no: 000679S), Chennai as Statutory Auditors of the Company to hold office from the conclusion of that Annual General Meeting until the conclusion of the third consecutive Annual General Meeting of the Company to be held during the year 2017.

The Auditors' Report for the financial year 2016-17 is unqualified and does not contain any emphasis on matter. 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 Companies Act, 2013.

COST AUDITOR

Mr. K. Suryanarayanan, Cost Accountant, (Membership no: 24946) was appointed as Cost Auditor of the Company for audit of cost accounting records for the financial year 2016-2017, pursuant to the provisions of Section 148 of the Act and Rule 3 and 4 of the Companies (Cost Records and Audit) Amendment Rules, 2014. The Cost Audit Report for the financial year 2015-16 was filed with Ministry of Corporate Affairs on August 12, 2016. The Report of the Cost Auditors for the financial year 2016-2017 would be filed with the Ministry of Corporate Affairs once the same is finalised.

The remuneration of the Cost Auditor was ratified at the Annual General Meeting held on September 29, 2016.

SECRETARIAL AUDITORS

M/s. M.Balaji Rajan & Associates, a firm of Company Secretaries in practice (COP No: 6965), was appointed to conduct the secretarial audit of the Company for the financial year 2016-2017, as required under Section 204 of the Act and Rules thereunder.

The Secretarial Audit Report for the financial year 2016-17 is attached as Annexure III to this Report and it contains the following qualification, reservation or adverse remark.

It has been observed that that the company does not have Company Secretary as required under the provisions of Section 203(1) read with Rule 8A of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014.

MANAGEMENT RESPONSE

The Company is in search of a suitable candidate to be appointed as a whole time Company Secretary as per the provisions of Section 203 of the Companies Act 2013. The Management will endeavour to appoint a Company Secretary in the near future.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

	DR. ESTHER MALINI	**MATHEW GEORGE**
Place : Chennai	*Director*	*Director*
Date : April 28, 2017	*DIN: 07124748*	*DIN: 07402208*

ANNEXURE I

FORM NO. AOC.2

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

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

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

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

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

Name of the related party	Nature of relationship	Nature of contract/ arrangement/ transactions	Duration of contract/ arrangement/ transactions	Salient terms of contract/ arrangement/ transactions	Amount paid as advance
Ahmedabad Maliya Tollway Limited	Fellow Subsidiary companies	Unsecured Loan	1 Year	Short fall funding	10,30,00,000
L&T Rajkot Vadinar Tollway Limited	Fellow Subsidiary companies	Unsecured Loan	1 Year	Short fall funding	10,35,00,000
L&T Samakhiali Gandhidham Tollway Limited	Fellow Subsidiary companies	Unsecured Loan	1 Year	Short fall funding	8,85,00,000
L&T Infrastructure Development Projects Limited	Holding company	Unsecured Loan	254 Days	Commercial paper	50,00,00,000
			1 Year	Short fall funding	104,50,00,000

For and on behalf of the Board

	DR. ESTHER MALINI	MATHEW GEORGE
Place : Chennai	*Director*	*Director*
Date : April 28, 2017	*DIN: 07124748*	*DIN: 07402208*

VADODARA BHARUCH TOLLWAY LIMITED
(Formerly known as L&T Vadodara Bharuch Tollway Limited)

ANNEXURE II

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	U45203TN2005PLC058417
Registration Date	23/12/2005
Name of the Company	VADODARA BHARUCH 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. Phone : 022 4914 2591

* The name of the Company was changed from "L&T Vadodara Bharuch Tollway Limited" to "Vadodara Bharuch Tollway Limited" Vide Certificate of Incorporation dated September 03, 2016, issued by Registrar of Companies.

** NSDL Database Management Limited was appointed as Registrar and Share Transfer Agent at the Board Meeting held on July 13, 2016 and the services were transferred from Sharepro Services Limited w.e.f September 17, 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, if any.	42101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name And Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
1	L&T Infrastructure Development Projects Limited	U65993TN2001PLC046691	Holding	99.99%	2(46)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–		–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)				–					
d) Bodies Corp.	43499992	6*	43499998	99.999	43499992	6*	43499998	99.999	
e) Banks / FI	–	–		–	–	–	–	–	–
f) Any Other….		–		–		–		–	–
Sub-total (A) (1):-	**43499992**	**6***	**43499998**	**99.999**	**43499992**	**6***	**43499998**	**99.999**	**–**
(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)	**43499992**	**6***	**43499998**	**99.999**	**43499992**	**6***	**43499998**	**99.999**	**–**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–						
b) Banks / FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–						
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–				–	–	–
Sub-total (B)(1):-	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2	–	2	0.001	2	–	2	0.001	–
c) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	2	–	2	0.001	2	–	2	0.001	**–**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**2**		**2**	**0.001**	**2**	**–**	**2**	**0.001**	**–**
C. Shares held by Custodian for GDRs & ADRs	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Grand Total (A+B+C)	**43499994**	**6***	**43500000**	**100**	**43499994**	**6***	**43500000**	**100**	**–**

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

(ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding as on 01.04.2016			Shareholding as on 31.03.2017			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	L&T Infrastructure Development Projects Limited (including nominees)	43499998	99.999%	51%	43499998	99.999%	–	–
	Total	**43499998**	**99.999%**	**51%**	**43499998**	**99.999%**	**–**	**–**

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

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	As on April 01, 2016	2	0.001	2	0.001
2	Date wise Increase / Decrease in Shareholding during the year	–	–	–	–
3	As on March 31, 2017	2	0.001%	2	0.001%

(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
1	As on April 01, 2016	1	0.001	1	0.001
2	Decrease due to resignation of Mr. T. S. Venkatesan	1	0.001	1	0.001
3	As on March 31, 2017	0	–	0	–

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	*9,762,073,280*		*9,762,073,280*
ii) Interest due but not paid	–		–
iii) Interest accrued but not due	*4,502,884*		*4,502,884*
Total (i+ii+iii)	*9,766,576,164*		*9,766,576,164*
Change the financial year			**–**
• Addition			–
• Reduction	120,515,268		120,515,268
Net Change	**(120,515,268)**		**(120,515,268)**
As on March 31, 2017			
i) Principal Amount	**9,688,263,072**		**9,688,263,072**
ii) Interest due but not paid			
iii) Interest accrued but not due	**198,828,360**		**198,828,360**
Total (i+ii+iii)	**9,887,091,432**		**9,887,091,432**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Mr. Rajesh Tilokani	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	₹ 3,98,825/-	₹ 3,98,825/-
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission - as % of profit - others, specify…	–	–
5.	Others, please specify	–	–
	Total (A)	**₹ 3,98,825/-**	**₹ 3,98,825/-**
	Ceiling as per the Act	**₹ 5,71,41,556/- per annum**	

B. Remuneration to other directors:

(Amount in ₹)

Sl.no.	Particulars of Remuneration	Name of Directors		Total Amount
1.	Independent Directors	**Mr. K.P. Raghavan**	**Mr. N. Raghavan**	
	Fee for attending board meeting Fee for attending committee meetings Commission Others	₹ 1,25,000/- ₹ 80,000/- – –	₹ 1,50,000/- ₹ 90,000/- – –	₹ 2,75,000/- ₹ 1,70,000/- – –
	Total (1)	**₹ 2,40,000/-**	**₹ 2,05,000/-**	**₹ 4,45,000/-**
2.	Other Non-Executive Directors 1. Mr. Mathew George 2. Mr. K.C. Raman 3. Dr. Esther Malini No Fee for attending board / committee Meetings and no Commission	Nil		Nil
	Total (2)	**Nil**		**Nil**
	Total (B)=(1+2)	**₹ 2,40,000/-**	**₹ 2,05,000/-**	**₹ 4,45,000/-**
	Total Managerial Remuneration	**NA**		
	Overall ceiling as per the Act (Sitting fees)	**Not more than ₹ 1,00,000/- per meeting of Board or Committee.**		

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

No remuneration was paid to KMP other than Manager of the Company. Mr. Gobinda Chandra Das, CFO of the Company is employed by the Holding Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

DR. ESTHER MALINI — *Director* — *DIN: 07124748*

MATHEW GEORGE — *Director* — *DIN: 07402208*

Place : Chennai
Date : April 28, 2017

ANNEXURE III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31/03/2017

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

To,
The Members,
M/s. VADODARA BHARUCH TOLLWAY LIMITED,
Chennai.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s VADODARA BHARUCH TOLLWAY LIMITED (CIN:U45203TN2005PLC058417) (herein after called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s VADODARA BHARUCH TOLLWAY LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31/03/2017 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after:

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

M/s VADODARA BHARUCH TOLLWAY LIMITED is an unlisted public limited company and hence compliance under the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz: (a) The Securities and Exchange Board of India(substantial Acquisition of shares and Takeovers) Regulations, 2011, (b) The Securities and Exchange Board of India(Prohibition of Insider Trading) Regulations,1992, (c) The Securities and Exchange Board of India(Issue of Capital and Disclosure Requirements) Regulations,2009, (d) The Securities and Exchange Board of India(Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999, (e) The Securities and Exchange Board of India(Issue and Listing of Debt Securities) Regulations, 2008, (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client, (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and (h) The Securities and Exchange Board of India(Buyback of Securities) Regulations, 1998 are not attracted.

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

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

It has been observed that that the company does not have Company Secretary as required under the provisions of Section 203(1) read with Rule 8A of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014.

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

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

- in the EGM held on 03/06/2016 approval has been given for the amendment of Articles and reappointment of Mr. Sanjay Mathur as Manager w.e.f. 29/04/2016;
- members accorded approval on 31/01/2017 for the appointment of Manager Mr. Rajesh Tilokani;

- members in the Annual General Meeting held on 29/09/2016 approved the alteration of Memorandum and Articles of Association and
- in the Extra-Ordinary General Meeting held on 10/08/2016, members approved the change of name of the Company from L&T Vadodara Bharuch Tollway Limited to Vadodara Bharuch Tollway Limited.

I further report that during the period under review, the Board of Directors of the Company has approved the following:

- in the Board Meeting held on 29/04/2016 Mr. Sanjay Mathur has been reappointed as Manager of the company;
- the Board of Directors have approved the modification/creation of charges in their meetings held on 30/09/2016, 03/10/2016 & 06/01/2017;
- in the Board Meeting held on 13/07/2016, the resignation of Director Mr. Paul Gunasekaran Sureshkumar (DIN:07124883) has been accepted and Mr. Venkatesan Subramani Thiruvarur appointment as a Additional Director& the appointment of Secretarial Auditor for the period 2016-17 have also been approved;
- in the Board Meeting held on 07/09/2016, the Board accorded its consent for the issuance of 3,98,000 Debentures of ₹ 10000/- each & in the Board through its circular resolution dt. 03/10/2016 allotted 3,97,500 Non-Convertible Debentures of ₹ 10000/- each;
- in the Board Meeting held on 19/10/2016, the resignation of Manager Mr. Sanjay Mathur has been accepted and in the Board Meeting held on 18/01/2017, the appointment of Mr. Rajesh Tilokani as Manager has been approved;
- in the Board Meeting held on 16/03/2017, the cessation of Director Mr. Venkatesan Subramanya Thiruvarur & appointment of Additional Director, Mr. K.C. Raman w.e.f 16/03/2017 has been approved

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

Place: Chennai

Date : 20.04.2017

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

ANNEXURE A

To

The Members,
M/S. VADODARA BHARUCH TOLLWAY LIMITED,
Chennai.

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

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

b) We have followed the audit practices and processes that were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

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

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

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

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

Place: Chennai

Date : 20.04.2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VADODARA BHARUCH TOLLWAY LIMITED
(Formerly known as L&T Vadodara Bharuch Tollway Limited)

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Vadodara Bharuch Tollway Limited(formerly known as L&T Vadodara Bharuch Tollway Limited)("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Changes in Equity, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

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

i. The Company does not have any pending litigations which would impact its financial position.

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

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

iv. The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note H (11) to the Ind AS financial statements.

For M. K. DANDEKER & CO.
(ICAI Reg No 000679S)

S.POOSAIDURAI
Partner
Chartered Accountants
Membership No 223754

Place : Chennai
Dated : April 28, 2017

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

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

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

   c. The title deeds of immovable properties are held in the name of the Company.

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

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

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

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

6. The Company is maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act in respect of services carried out by the Company.

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

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

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

9. The money's raised by way of debt instruments and term loans were applied for the purposes for which those are raised.

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

11. According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act 2013.

12. The Company is not a Nidhi Company and hence clause 3 (xii) of the Companies (Auditor's Report) Order 2016 is not applicable.

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

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

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

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

For M. K. DANDEKER & CO.
(ICAI Reg No 000679S)

S.POOSAIDURAI
Partner
Chartered Accountants
Membership No 223754

Place : Chennai
Dated : April 28, 2017

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

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

We have audited the internal financial controls over financial reporting of Vadodara Bharuch Tollway Limited(formerly known asL&T Vadodara Bharuch Tollway Limited) ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For M. K. DANDEKER & CO.
(ICAI Reg No 000679S)

S.POOSAIDURAI
Partner
Chartered Accountants
Membership No 223754

Place : Chennai
Dated : April 28, 2017

VADODARA BHARUCH TOLLWAY LIMITED
(Formerly known as L&T Vadodara Bharuch Tollway Limited)

BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note	As at 31.03.2017 ₹	As at 31.03.2016 ₹	As at 01.04.2015 ₹
ASSETS				
(1) Non-current assets				
a) Property, Plant and Equipment	1	**8,592,057**	*20,242,197*	*38,725,652*
b) Intangible assets	2	**5,511,207,825**	*6,645,657,815*	*7,767,409,476*
c) Intangible assets under development	3	**–**	–	*18,566,254*
d) Financial Assets				
i) Loans	4	**2,761,801**	*2,762,801*	*2,725,743*
e) Deferred tax assets (net)		**5,974,713**	–	–
f) Other non-current assets	5	**44,324,251**	*5,526,440*	*3,633,092*
	A	**5,572,860,647**	*6,674,189,253*	*7,831,060,217*
Current assets				
a) Financial Assets				
i) Investments	6	**1,879,164,797**	*452,175,383*	–
ii) Cash and bank balances	7	**43,637,631**	*249,250,749*	*105,179,779*
iii) Loans	4	**273,745,283**	*25,000*	*25,000*
b) Current Tax Assets (net)	5	**8,738,441**	–	–
c) Other current assets	5	**125,595,054**	*10,378,235*	*9,663,918*
	B	**2,330,881,206**	*711,829,367*	*114,868,697*
TOTAL	A+B	**7,903,741,853**	*7,386,018,620*	*7,945,928,914*
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share capital	8	**435,000,000**	*435,000,000*	*435,000,000*
b) Other Equity	9	**(3,049,107,509)**	*(3,232,306,953)*	*(3,404,942,156)*
	C	**(2,614,107,509)**	*(2,797,306,953)*	*(2,969,942,156)*
LIABILITIES				
(1) Non-current liabilities				
a) Financial liabilities				
i) Borrowings	10	**9,628,263,072**	*9,672,416,791*	*9,316,158,475*
b) Provisions	12	**574,280,121**	*372,810,796*	*145,992,598*
	D	**10,202,543,193**	*10,045,227,587*	*9,462,151,073*
Current liabilities				
a) Financial liabilities				
i) Borrowings	10	**–**	–	*225,000,000*
ii) Trade payables	14	**29,820,165**	*16,769,096*	*77,725,300*
iii) Other financial liabilities	11	**260,299,740**	*95,864,753*	*1,130,975,668*
b) Other current liabilities	13	**23,926,563**	*25,086,762*	*19,906,491*
c) Provisions	12	**1,259,701**	*377,375*	*112,538*
	E	**315,306,169**	*138,097,986*	*1,453,719,997*
Total Equity and Liabilities	C+D+E	**7,903,741,853**	*7,386,018,620*	*7,945,928,914*
Contingent liabilities	F			
Commitments	G			
Other notes forming part of accounts	H			
Significant accounting policies	I			

As per our report of even date attached
M.K. DANDEKER & CO.
Chartered Accountants
(Firm's Regn No. 000679S)
By the hand of

S. POOSAIDURAI
Partner
Membership No. 223754
Place : Chennai
Date : April 28, 2017

For and on behalf of the Board of

GOBINDA CHANDRA DAS
Chief Financial Officer

Dr. ESTHER MALINI
Director
DIN: 07124748

P. G. SURESH KUMAR
Director
DIN: 07124883

Place : Chennai
Date : April 28, 2017

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

Particulars	Note	2016-17 ₹	2015-16 ₹
REVENUE			
Revenue from Operations	15	2,658,638,500	2,821,332,805
Other income	16	100,770,932	23,899,710
Total Revenue		2,759,409,432	2,845,232,515
EXPENSES			
Operating expenses	17	359,458,443	370,807,655
Employee benefit expenses	18	11,811,366	15,692,425
Finance costs	19	976,076,167	1,058,670,410
Depreciation and amortisation		1,148,406,239	1,167,248,687
Administration and other expenses	20	40,591,466	40,201,384
Total Expenses		2,536,343,681	2,652,620,561
Profit/(loss) before tax		223,065,751	192,611,954
Tax Expense:			
Current tax		45,932,881	20,107,606
Profit/(loss) after tax for the year		177,132,870	172,504,348
Prior period adjustments		–	–
Profit for the year		177,132,870	172,504,348
Other Comprehensive Income			
i) Items that will not be reclassified to profit or loss (net of tax)			
Remeasurement of net defined benefit liability or asset		(91,861)	(130,855)
ii) Items that will be reclassified to profit or loss (net of tax)			
Total Other Comprehensive Income		(91,861)	(130,855)
Total Comprehensive Income for the year		177,224,731	172,635,203
Earnings per equity share (Basic and Diluted)		4.07	3.97
Face value per equity share		10.00	10.00

As per our report of even date attached
M.K.DANDEKER & CO.
Chartered Accountants
(Firm's Regn No. 000679S)
By the hand of

S. POOSAIDURAI
Partner
Membership No. 223754

Place : Chennai
Date : April 28, 2017

For and on behalf of the Board of

GOBINDA CHANDRA DAS
Chief Financial Officer

Dr. ESTHER MALINI
Director
DIN: 07124748

P. G. SURESH KUMAR
Director
DIN: 07124883

Place : Chennai
Date : April 28, 2017

VADODARA BHARUCH TOLLWAY LIMITED
(Formerly known as L&T Vadodara Bharuch Tollway Limited)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

S. No.	**Particulars**	**2016-17** ₹	*2015-16* ₹
A	**Net profit / (loss) before tax and extraordinary items**	223,157,612	*192,742,809*
	Adjustment for		
	Depreciation and amortisation expense	1,148,406,239	*1,167,248,687*
	Interest expense	976,076,167	*1,058,670,410*
	Interest income	(53,176,083)	*(1,276,152)*
	(Profit)/loss on sale of current investments(net)	(11,966,121)	*(8,461,649)*
	(Profit)/loss on sale of fixed assets	(270,790)	*(7,500)*
	Operating profit before working capital changes	2,282,227,024	*2,408,916,605*
	Adjustments for:		
	Increase / (Decrease) in long term provisions	173,059,620	*213,950,683*
	Increase / (Decrease) in trade payables	13,051,069	*(60,956,204)*
	Increase / (Decrease) in other current liabilities	(1,160,199)	*5,180,271*
	Increase / (Decrease) in other current financial liabilities	(29,890,489)	*(1,025,405,131)*
	Increase / (Decrease) in short term provisions	882,326	*264,837*
	(Increase) / Decrease in loan term loans and advances	1,000	*(37,058)*
	(Increase) / Decrease in short term loans and advances	(339,324,251)	–
	(Increase) / Decrease in other current assets	(115,216,819)	*(714,317)*
	Net cash generated from/(used in) operating activities	1,983,629,281	*1,541,199,686*
	Direct taxes paid (net of refunds)	(49,144,882)	*(22,000,954)*
	Net Cash(used in)/generated from Operating Activities	1,937,929,564	*1,519,198,732*
B	**Cash flow from investing activities**		
	Purchase of fixed assets	20,934,356	*(8,447,317)*
	Sale of fixed assets	731,384	*15,869,029*
	Purchase of current investments	4,490,500,000	*(1,496,000,000)*
	Sale of current investments	(5,905,523,293)	*1,052,286,266*
	Interest received	46,728,186	*1,276,152*
	Net cash (used in)/generated from investing activities	(1,346,629,367)	*(435,015,870)*
C	**Cash flow from financing activities**		
	Repayment of long term borrowings	(60,055,422)	*153,192,732*
	Interest paid	(733,412,728)	*(1,093,304,624)*
	Net cash (used in)/generated from financing activities	(793,468,150)	*(940,111,892)*
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(205,613,118)	*144,070,970*
	Cash and cash equivalents as at the beginning of the year	249,250,749	*105,179,779*
	Cash and cash equivalents as at the end of the year	43,637,631	*249,250,749*

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 of even date attached
M.K.DANDEKER & CO.
Chartered Accountants
(Firm's Regn No. 000679S)
By the hand of

S. POOSAIDURAI
Partner
Membership No. 223754

Place : Chennai
Date : April 28, 2017

For and on behalf of the Board of

GOBINDA CHANDRA DAS
Chief Financial Officer

Dr. ESTHER MALINI
Director
DIN: 07124748

P. G. SURESH KUMAR
Director
DIN: 07124883

Place : Chennai
Date : April 28, 2017

NOTES FORMING PART OF ACCOUNTS

1 PROPERTY, PLANT AND EQUIPMENT (AT COST OR DEEMED COST)

(in ₹)

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 at March 31, 2016*
Owned										
Building	*1,648,644*	–	–	**1,648,644**	*39,253*	39,253	–	**78,506**	**1,570,138**	*1,609,391*
Plant and Equipment	*29,151,344*	1,111,932	399,973	**29,863,303**	*15,863,928*	10,990,475	312,195	**26,542,208**	**3,321,095**	*13,287,416*
Furniture and fixtures	*1,117,023*	–	139,747	**977,276**	*309,819*	288,228	139,747	**458,300**	**518,976**	*807,204*
Vehicles	*6,537,465*	1,194,280	4,096,839	**3,634,906**	*3,240,026*	2,187,771	3,813,741	**1,614,056**	**2,020,850**	*3,297,439*
Office equipment	*221,834*	98,293	1,158	**318,969**	*51,167*	97,718	–	**148,885**	**170,084**	*170,667*
Electrical installations	*662,202*	–	–	**662,202**	*89,212*	89,213	–	**178,425**	**483,777**	*572,990*
Computers, laptops and printers	*649,896*	362,197	359,344	**652,749**	*152,806*	263,590	270,784	**145,612**	**507,137**	*497,090*
Total	*39,988,408*	2,766,702	4,997,061	**37,758,049**	*19,746,211*	13,956,248	4,536,467	**29,165,992**	**8,592,057**	*20,242,197*
Previous year				*39,988,408*				*19,746,211*		

Refer Note H(17) for information on property, plant and equipments pledged as security.
There is no restriction on title of property, plant and equipments.
There is no contractual commitment on acquition of property, plant and equipments.

(in ₹)

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										
Building	*1,648,644*	–	–	*1,648,644*	–	39,253	–	*39,253*	*1,609,391*	*1,648,644*
Plant and Equipment	*28,735,956*	415,388	–	*29,151,344*	–	15,863,928	–	*15,863,928*	*13,287,416*	*28,735,956*
Furniture and fixtures	*987,523*	129,500	–	*1,117,023*	–	309,819	–	*309,819*	*807,204*	*987,523*
Vehicles	*6,537,465*	–	–	*6,537,465*	–	3,240,026	–	*3,240,026*	*3,297,439*	*6,537,465*
Office equipment	*50,116*	171,718	–	*221,834*	–	51,167	–	*51,167*	*170,667*	*50,116*
Electrical installations	*662,202*	–	–	*662,202*	–	89,212	–	*89,212*	*572,990*	*662,202*
Computers, laptops and printers	*103,746*	608,066	61,916	*649,896*	–	214,722	61,916	*152,806*	*497,090*	*103,746*
Total	*38,725,652*	1,324,672	61,916	*39,988,408*	–	19,808,127	61,916	*19,746,211*	*20,242,197*	*38,725,652*
Previous year				*38,725,652*				–		

2 INTANGIBLE ASSETS

(in ₹)

Particulars	Cost				Amortisation				Book Value	
	As at April 01, 2016	Additions	Disposals	**As at March 31, 2017**	*As at April 01, 2016*	For the year	On Disposals	**As at March 31, 2017**	**As at March 31, 2017**	*As at March 31, 2016*
Specialised Software	*275,000*	–	–	**275,000**	*275,000*	–	–	**275,000**	**–**	–
Toll collection rights	*14,456,478,241*	23,701,059	23,701,059	**14,456,478,241**	*7,810,820,426*	1,134,449,990	–	**8,945,270,416**	**5,511,207,825**	*6,645,657,815*
Total	*14,456,753,241*	23,701,059	23,701,059	**14,456,753,241**	*7,811,095,426*	1,134,449,990	–	**8,945,545,416**	**5,511,207,825**	*6,645,657,815*
Previous year	*14,456,753,241*			*14,456,753,241*				*7,811,095,426*		

Disclosure of Material Intangible Asset

Toll collection rights of widening of existing two-lane of 83.3 kilometers Road stretch covering Vadodara to Bharuch to make it four lane.

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars	Remaining Amortization Period (Years)
As at March 31, 2017	**4.77**
As at March 31, 2016	*5.77*
As at April 01, 2015	*6.77*

There is no restriction on title of Tolling rights.
There is no contractual commitment on acquition of Tolling rights.
Refer Note H(17) for information on Intangible asset pledged as security.

(in ₹)

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	275,000	–	–	275,000	275,000	–	–	275,000	–	–
Toll collection rights	14,430,789,342	49,389,958	39,562,588	14,440,616,712	6,663,379,866	1,145,372,690	–	7,808,752,556	6,631,864,156	7,767,409,476
Total	14,431,064,342	49,389,958	39,562,588	14,440,891,712	6,663,654,866	1,145,372,690	–	7,809,027,556	6,631,864,156	7,767,409,476
Previous year	14,431,064,342			14,431,064,342				6,663,654,866		

3 INTANGIBLE ASSETS UNDER DEVELOPMENT

(in ₹)

Particulars	Cost				Amortisation				Book Value	
	As at April 01, 2015	Additions	Deductions	As at March 31, 2016	As at April 01, 2015	For the year	Deductions	As at March 31, 2016	As at March 31, 2016	As at April 01, 2015
Construction cost	18,566,254	(18,566,254)		–				–	–	18,566,254
Total	18,566,254	(18,566,254)	–	–	–	–	–	–	–	18,566,254
Previous year										

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	**25,000**	**2,761,801**	**2,786,801**	25,000	2,762,801	2,787,801	25,000	2,725,743	2,750,743
b) Loans to related parties									
L&T Rajkot Vadinar Tollway Limited	**83,100,705**		**83,100,705**						
Ahmedabad Maliya Tollway Limited	**95,588,972**		**95,588,972**						
L&T Samakhiali Gandidham Tollway Limited	**95,030,606**		**95,030,606**						
	273,745,283	**2,761,801**	**276,507,084**	25,000	2,762,801	2,787,801	25,000	2,725,743	2,750,743

NOTES FORMING PART OF ACCOUNTS (Contd.)

5 OTHER NON-CURRENT AND CURRENT ASSETS

Particulars	March 31, 2017 Current	March 31, 2017 Non-current	March 31, 2017 Total	March 31, 2016 Current	March 31, 2016 Non-current	March 31, 2016 Total	April 01, 2015 Current	April 01, 2015 Non-current	April 01, 2015 Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Advances other than capital advances									
Advances to related parties	–	–	–	–	–	–	–	–	–
Advances to employees	57,000	–	57,000	–	–	–	–	–	–
Other advances	13,740,514	44,324,251	58,064,765	29,094	–	29,094	25,191	–	25,191
Advance recoverable other than in cash									
Prepaid Insurance	1,716,869	–	1,716,869	1,503,965	–	1,503,965	1,595,672	–	1,595,672
Prepaid expenses	459,480	–	459,480	749,840	–	749,840	644,710	–	644,710
VAT recoverable	11,719	–	11,719	142,203	–	142,203	142,203	–	142,203
NHAI receivable	93,214,576								
Other Receivable (Considered good)	16,394,896	–	16,394,896	7,953,133	–	–	7,256,142	–	–
	125,595,054	44,324,251	76,704,729	10,378,235	–	2,425,102	9,663,918	–	2,407,776

Particulars	March 31, 2017 Current	March 31, 2017 Non-current	March 31, 2017 Total	March 31, 2016 Current	March 31, 2016 Non-current	March 31, 2016 Total	April 01, 2015 Current	April 01, 2015 Non-current	April 01, 2015 Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Income tax									
Income tax net of provisions	8,738,441	–	8,738,441	–	5,526,440	5,526,440	–	3,633,092	3,633,092
	8,738,441	–	8,738,441	–	5,526,440	5,526,440	–	3,633,092	3,633,092

6 INVESTMENTS

Particulars	As at March 31, 2017 Units	As at March 31, 2017 ₹	As at March 31, 2016 Units	As at March 31, 2016 ₹	As at April 01, 2015 Units	As at April 01, 2015 ₹
Investments at fair value through Profit and loss						
Birla Sun Life Cash Plus Growth	1,027,293	267,623,378	–	–	–	–
HDFC Cash Management - Saving Plan- Growth	–	–	11,202	35,340,836	–	–
IDFC Cash Fund- Super-Inst Plan-B - Growth	91,497	180,334,223	28,174	55,413,416	–	–
L&T Liquid Fund- Growth	168,901	375,764,380	23,339	48,410,038	–	–
Reliance Liquid Fund - Cash plan	109,586	267,629,509			–	–
Tata Liquid Plan A Growth	38,400	114,812,886	20,367	56,812,627	–	–
SBI Premier Liquid Super Institutional Growth	73,145	186,205,135	21,940	52,130,215	–	–
Kotak Liquid Institutional Premium Plan Growth	18,463	60,755,127	22,584	69,314,327	–	–
UTI Liquid Fund	–	–	21,456	53,137,780	–	–
DSP Blackrock Liquidity Fund	–	–	24,259	52,452,509	–	–
ICICI Prudential Liquid Fund - Regular - Growth	62,603	15,034,482	–	–	–	–
Invesco Mutual Fund	184,110	411,005,677	–	–	–	–
Religare Liquid Fund Super Institutional Growth	–	–	14,016	29,163,635	–	–
		1,879,164,797		452,175,383		–
Aggregate book value of quoted investments		1,858,737,027		443,713,734		–
Aggregate market value of quoted investments		1,879,164,793		452,175,383		–

NOTES FORMING PART OF ACCOUNTS (Contd.)

7 CASH AND BANK BALANCES

	Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹	As at April 01, 2015 ₹
a)	Balances with banks	**8,333,896**	*30,716,350*	*71,973,192*
b)	Cash on hand	**35,188,255**	*18,390,470*	*12,598,163*
c)	Fixed deposits with banks including interest accrued thereon	**115,480**	*200,143,929*	*20,608,424*
		43,637,631	*249,250,749*	*105,179,779*

The deposits maintained by the Company with banks under Note 7 above comprise of time deposits which can be withdrawn by the Company at any point of time without prior notice or without payment penalty on the principal.

8 SHARE CAPITAL

(i) Authorised, issued, subscribed and paid up:

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	₹	No. of shares	₹	No. of shares	₹
Authorised:						
Equity shares of ₹ 10 each	**220,000,000**	**2,200,000,000**	*220,000,000*	*2,200,000,000*	*220,000,000*	*2,200,000,000*
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each	**43,500,000**	**435,000,000**	*43,500,000*	*435,000,000*	*43,500,000*	*435,000,000*
	43,500,000	**435,000,000**	*43,500,000*	*435,000,000*	*43,500,000*	*435,000,000*

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	₹	No. of shares	₹	No. of shares	₹
At the beginning of the year	**43,500,000**	**435,000,000**	*43,500,000*	*435,000,000*	*43,500,000*	*435,000,000*
Issued during the year as fully paid	**–**	**–**	–	–	–	–
At the end of the year	**43,500,000**	**435,000,000**	*43,500,000*	*435,000,000*	*43,500,000*	*435,000,000*

(iii) Terms / rights attached to shares :

Equity shares of ₹ 10 each

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.

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

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	No. of Shares	₹	No. of Shares	₹	No. of Shares	₹
Holding Company						
L&T Infrastructure Development Projects Limited (including nominee holding)	**43,500,000**	**435,000,000**	*43,500,000*	*435,000,000*	*43,500,000*	*435,000,000*
	43,500,000	**435,000,000**	*43,500,000*	*435,000,000*	*43,500,000*	*435,000,000*

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

Particulars	As at 31.03.2017		*As at 31.03.2016*		*As at 01.04.2015*	
	No. of Shares	**%**	*No. of Shares*	*%*	*No. of Shares*	*%*
Holding Company						
L&T Infrastructure Development Projects Limited (including nominee holding)	**43,500,000**	**100%**	*43,500,000*	*100%*	*43,500,000*	*100%*

(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

9 OTHER EQUITY AS ON 31.03.2017

Particulars	Reserves & Surplus		Total
	Debenture Redemption Reserve	**Retained earnings**	₹
Balance at the beginning of the year	**78,512,996**	**(3,310,819,949)**	**(3,232,306,953)**
Profit for the year	**–**	**177,132,870**	**177,132,870**
Total other comprehensive income for the year	**–**	**91,861**	**91,861**
Transfer from / (to) debenture redemption reserve	**177,132,870**	**(177,132,870)**	**–**
Balance at the end of the year	**255,645,866**	**–3,304,753,375**	**–3,049,107,509**

OTHER EQUITY AS ON 31.03.2016

Particulars	Reserves & Surplus		Total
	Debenture Redemption Reserve	**Retained earnings**	₹
Balance at the beginning of the reporting period	*–*	*(3,404,942,156)*	*(3,404,942,156)*
Profit for the year	*–*	*172,504,348*	*172,504,348*
Other comprehensive income	*–*	*130,855*	*130,855*
Transfer from / (to) debenture redemption reserve	*78,512,996*	*(78,512,996)*	*–*
Balance at the end of the year	*78,512,996*	*-3,310,819,949*	*-3,232,306,953*

The company has issued redeemable non convertible debentures. Accordingly, the companies (share capital and debenture) Rules, 2014 (as amended), require the company to create DRR out of the profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of the debentures issued.

10 BORROWINGS

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*
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Secured borrowings									
a) Debentures	**–**	**9,355,000,000**	**9,355,000,000**	*–*	*5,380,000,000*	*5,380,000,000*	*–*	*–*	*–*
b) Term loans									
i) From banks		**273,263,072**	**273,263,072**		*4,292,416,791*	*4,292,416,791*		*7,550,735,979*	*7,550,735,979*
ii) From others	**–**	**–**	**–**	*–*	*–*	*–*		*1,765,422,496*	*1,765,422,496*
Unsecured borrowings									
a) Loans from related parties	**–**	**–**	**–**	*–*	*–*	*–*	*225,000,000*	*–*	*225,000,000*
	–	**9,628,263,072**	**9,628,263,072**	*–*	*9,672,416,791*	*9,672,416,791*	*225,000,000*	*9,316,158,475*	*9,541,158,475*

NOTES FORMING PART OF ACCOUNTS (Contd.)

Details of long term borrowings

Particulars	Effective interest rate	Terms of repayment
Non Convertible Debentures from India Infradebt Limited		50% on April 4, 2018, 25% on October 1, 2019 and December 31, 2019
Non Convertible Debentures from Aditya Birla Finance Limited		Redemption in bullet installment on June 30, 2021
Non Convertible Debentures from SBI MF	10.08%	Redemption in bullet installment on June 30, 2021
Non Convertible Debentures from Birla Sunlife	10.08%	Redemption in bullet installment on June 30, 2021
Term loans from banks	10.04%	Last date of repayment is Dec 31, 2020

Details of Debentures

Particulars	Amount	No. of Debenture	Face Value of Debentures	Date of Allotment	Coupon rate
Non Convertible Debentures from India Infradebt Limited	2,880,000,000	288,000	10,000	31st December 2015	9.50%
Non Convertible Debentures from Aditya Birla Finance Limited	2,500,000,000	250,000	10,000	2nd February 2016	9.90%
Non Convertible Debentures from SBI MF	1,987,500,000	198,750	10,000	3rd October 2016	10.10%
Non Convertible Debentures from Birla Sunlife	1,987,500,000	198,750	10,000	3rd October 2016	10.10%

Nature of security for term loans/debentures

1) Term loans rank pari passu inter se lenders and are secured by

a) beneficial rights, title, interest in respect of immoveable property in particular flat situated in Pune;

b) rights, title, interest, benefits, claims and demands in respect of Project documents, clearances, insurance contracts;

c) all moveable tangible and intangible assets excluding project assets;

d) bank accounts;

e) charge on uncalled capital, permitted investments, all other investments and all rights, titles, interest, property, claims and demands;

f) all receivables including amounts receivable under guarantees including contractor guarantee, performance bonds provided to any party under Project documents, liquidated damages, letter of credit, receivables from shareholders including accounts where amounts are held;

g) all receivables in relation to the Project;

h) first charge of all other general moveable property. 51% of shares of the company held by L&T Infrastructure Development Projects Limited are pledged as Security with lenders.

2) Non-Convertible Debentures are secured by

a) first charge on all tangible movable assets except Project assets;

b) a first charge over all accounts;

c) a first charge over all intangible assets but not limited to goodwill, rights, undertaking, uncalled capital excluding Project assets;

d) first charge over right, title, interest, benefit, claims and demands under Government approvals, insurance contracts, project documents, any letter of credit, guarantee including contractor guarantees, liquidated damages and performance bond.

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

Particulars	**As at 31.03.2017** ₹	*As at 31.03.2016* ₹	*As at 01.04.2015* ₹
Long term borrowings (Refer Note 10)	**273,263,072**	*4,292,416,791*	*9,316,158,475*
Current maturities of long term borrowings (Refer Note 11)	**60,000,000**	*89,656,489*	*1,116,723,000*

NOTES FORMING PART OF ACCOUNTS (Contd.)

11 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) Deposits received	**1,471,380**	**–**	**1,471,380**	*1,705,380*	*–*	*1,705,380*	*44,000*	*–*	*44,000*
b) Interest accrued	**198,828,360**	**–**	**198,828,360**	*4,502,884*	*–*	*4,502,884*	*14,208,668*	*–*	*14,208,668*
c) Other liabilities									
i) Current Maturities of Long Term borrowings	**60,000,000**	**–**	**60,000,000**	*89,656,489*	*–*	*89,656,489*	*1,116,723,000*	*–*	*1,116,723,000*
	260,299,740	**–**	**260,299,740**	*95,864,753*	*–*	*95,864,753*	*1,130,975,668*	*–*	*1,130,975,668*

12 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 (Refer note H(3))									
Gratuity	**248,922**	**232,441**	**481,363**	*164,257*	*1,572,064*	*1,736,321*	*49,726*	*1,401,165*	*1,450,891*
Compensated Absence	**989,779**	**1,854,136**	**2,843,915**	*213,118*	*1,767,643*	*1,980,761*	*62,812*	*1,480,933*	*1,543,745*
Bonus	**21,000**	**–**	**21,000**		*274,369*	*274,369*		*10,500*	*10,500*
Retention pay scheme	**–**	**338,716**	**338,716**		*329,205*	*329,205*			
Provisions for periodic major maintenance (Refer note H(10))	**–**	**571,854,828**	**571,854,828**	*–*	*368,867,515*	*368,867,515*	*–*	*143,100,000*	*143,100,000*
	1,259,701	**574,280,121**	**575,539,822**	*377,375*	*372,810,796*	*373,188,171*	*112,538*	*145,992,598*	*146,105,136*

13 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) Other liabilities	**20,108,390**	**–**	**20,108,390**	*22,370,024*	*–*	*22,370,024*	*18,046,392*	*–*	*18,046,392*
ii) Statutory payables	**3,818,176**	**–**	**3,818,176**	*2,716,742*	*–*	*2,716,742*	*1,860,103*	*–*	*1,860,103*
	23,926,566	**–**	**23,926,566**	*25,086,766*	*–*	*25,086,766*	*19,906,495*	*–*	*19,906,495*

14 TRADE PAYABLES

Particulars	**As at 31.03.2017**	*As at 31.03.2016*	*As at 01.04.2015*
	₹	₹	₹
Acceptances			
Due to related parties (Refer Note H(3))	**17,230,930**	*8,534,293*	*21,726,756*
Due to others	**12,589,235**	*8,234,803*	*55,998,544*
	29,820,165	*16,769,096*	*77,725,300*

F CONTINGENT LIABILITIES

Contingent liability as at March 31, 2017 is ₹ 1,79,60,188/- (Previous year ₹ 1,79,60,188).

G COMMITMENTS

Capital Commitments as at March 31, 2017 is ₹ Nil. (Previous year ₹ Nil).

NOTES FORMING PART OF ACCOUNTS (Contd.)

15 REVENUE FROM OPERATIONS

Particulars	2016-17		2015-16	
	₹	₹	₹	₹
Operating revenue:				
Toll Collections	**2,658,638,500**		*2,821,332,805*	
		2,658,638,500		*2,821,332,805*
		2,658,638,500		*2,821,332,805*

16 OTHER INCOME

Particulars	2016-17		2015-16	
	₹	₹	₹	₹
Interest income from:				
Bank deposits	**901,277**		*1,276,152*	
Holding Company	**45,826,909**		–	
Inter-corporate deposits	**6,447,897**		–	
		53,176,083		*1,276,152*
Net gain/(loss) on financial assets designated at FVTPL		**11,966,121**		*8,461,649*
Profit/(loss) on disposal of Property,Plant and Equipment		**270,790**		*7,500*
Short Term capital Gain		**29,366,250**		*8,584,068*
Dividend income		**–**		–
Insurance claims		**621,108**		*2,098,692*
Other income		**5,370,580**		*3,471,649*
		100,770,932		*23,899,710*

17 OPERATING EXPENSES

Particulars	2016-17		2015-16	
	₹	₹	₹	₹
Toll Management fees		**24,451,300**		*54,200,484*
Security services		**7,856,390**		*6,575,306*
Insurance		**7,425,589**		*6,365,566*
Concession fee		**1**		*1*
Repairs and maintenance				
Toll road & bridge	**82,474,010**		*37,277,506*	
Plant and machinery	**16,190,920**		*7,986,150*	
Periodic major maintenance	**174,577,608**		*212,900,000*	
Vehicles	**6,970,616**		*9,939,356*	
Others	**10,927,366**		*6,592,947*	
		291,140,520		*274,695,959*
Professional fees		**7,696,581**		*8,190,070*
Power and fuel		**20,888,062**		*20,780,269*
		359,458,443		*370,807,655*

NOTES FORMING PART OF ACCOUNTS (Contd.)

18 EMPLOYEE BENEFIT EXPENSES

Particulars	2016-17		2015-16	
	₹	₹	₹	₹
Salaries, wages and bonus		7,804,258		11,681,588
Contributions to and provisions for:				
Provident and pension funds (Refer Note H3)	665,310		647,856	
Gratuity fund (Refer note H 3)	389,624		416,285	
Compensated absences	1,220,105		437,016	
Retention pay	9,511		329,205	
		2,284,550		1,830,362
Staff welfare expenses		1,722,558		2,180,475
		11,811,366		15,692,425

19 FINANCE COSTS

Particulars	2016-17	2015-16
	₹	₹
Interest on borrowings	895,560,845	1,021,665,278
Other borrowing cost	32,177,359	61,933,562
Unwinding of discount and implicit interest expense on fair value	48,337,963	(24,928,430)
	976,076,167	1,058,670,410

20 ADMINISTRATION AND OTHER EXPENSES

Particulars	2016-17	2015-16
	₹	₹
Rent, Rates and taxes	1,237,020	3,234,807
Professional fees	29,883,420	27,658,919
Payment to Auditor	1,028,005	746,639
Director's Sitting Fees	534,300	291,252
Postage and communication	503,743	454,533
Printing and stationery	1,080,199	1,257,947
Travelling and conveyance	2,812,729	874,198
Corporate social responsibility	–	20,250
Repairs and maintenance - others	2,187,931	2,421,214
Miscellaneous expenses	1,324,119	3,241,625
	40,591,466	40,201,384

(a) Auditors remuneration (including service tax) as follows:

Particulars	2016-17	2015-16
	₹	₹
a) As auditor	523,710	453,420
b) For taxation matters	143,798	126,992
c) For other services	360,497	166,227
Total	1,028,005	746,639

NOTES FORMING PART OF ACCOUNTS (Contd.)

Components of Other Comprehensive Income

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

During the year ended 31 March 2016

Particulars	**Retained earnings** ₹	**Other reserves (specify nature)** ₹	**Total** ₹
Remeasurement gains/(losses) on defined benefit plans			
Reclassified to Statement of profit and loss	(130,855)	–	(130,855)
	(130,855)	**–**	**(130,855)**

1) CORPORATE INFORMATION

Vadodara Bharuch Tollway Limited is a Special Purpose Vehicle (SPV) incorporated on 23rd December 2005 for the purpose of widening of existing four-lane eighty three kilometers Road stretch from KM 108.7000 to 192.000 of National Highway No. 8 in the State of Gujarat and operation and maintenance thereof, under the Concession Agreement dated 12 July, 2006 with National Highway Authority of India. The Concession Agreement is for a period 15 years from 8th January 2007, being the Commencement Date stated in clause 1.1 of the said agreement. Commercial Date of Operation started on 3rd June 2009. At the end of Concession period (i.e. 7th January 2022), the entire facility will be transferred to NHAI.

2) FOREIGN CURRENCY EXPENDITURE AND EARNINGS

The Company has incurred expenditure of ₹ 9,35,421/- in foreign currency during the year for toll software support service (previous year: ₹ 8,65,373/-) During the year and previous year the company does not have any earnings in Foreign Currency.

3) DISCLOSURE PURSUANT TO IND AS 19 EMPLOYEE BENEFITS:

(i) Defined contribution plan:

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

An amount of ₹ 6,65,310/- (previous year : ₹ 6,47,856/-) being contribution made to recognised provident fund is recognised as expense and included under Employee benefit expense (Note 18) in the Statement of Profit and loss.

(ii) Defined benefit plans:

a) Features of its defined benefit plans:

Gratuity:

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

Plan Features

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

Leave Encashment:

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

(iii) The company is responsible for governance of the plan.

(iv) **Risk to the Plan**

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

A. Actuarial Risk:

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

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

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

B. Investment Risk:

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

C. Liquidity Risk:

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

D. Market Risk:

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

E. Legislative Risk:

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

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

Particulars	**Gratuity plan**		**Compensated absences**	
	As at 31.03.2017	*As at 31.03.2016*	**As at 31.03.2017**	*As at 31.03.2016*
	₹	₹	₹	₹
A) Present value of defined benefit obligation				
- Wholly funded	**1,972,083**	–	**–**	–
- Wholly unfunded	**–**	*1,736,321*	**2,051,542**	*1,980,761*
	1,972,083	*1,736,321*	**2,051,542**	*1,980,761*
Less : Fair value of plan assets	**1,490,720**	–	**–**	–
Net Liability / (asset)	**481,363**	*1,736,321*	**2,051,542**	*1,980,761*

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

Particulars	**Gratuity plan**		**Compensated absences**	
	As at 31.03.2017	*As at 31.03.2016*	**As at 31.03.2017**	*As at 31.03.2016*
	₹	₹	₹	₹
1 Current service cost	**232,904**	*205,751*	**196,201**	*143,801*
2 Past service cost and loss/(gain) on curtailments and settlement		*99,304*	**(315,626)**	
3 Net Interest Cost	**156,720**	*111,230*	**146,188**	*117,962*
4 Net value of remeasurements on the obligation and plan assets			**400,969**	*32,670*
5 Adjustment for earlier years				
Total Charge to Statement of Profit and Loss	**389,624**	*416,285*	**427,732**	*294,433*

NOTES FORMING PART OF ACCOUNTS (Contd.)

d) Other Comprehensive Income for the period

Particulars	Gratuity plan		Compensated absences	
	As at 31.03.2017	*As at 31.03.2016*	**As at 31.03.2017**	*As at 31.03.2016*
	₹	₹	₹	₹
Components of actuarial gain/losses on obligations:				
Due to changes in demographic assumptions	**–**	*98,272*	**–**	–
Due to changes in financial assumptions	**117,196**	–	**–**	–
Due to experience adjustments	**(153,671)**	*(229,127)*	**–**	–
Return on plan assets excluding amounts included in interest income	**(55,386)**	–	**–**	–
Amounts recognized in Other Comprehensive Income	**(91,861)**	*(130,855)*	**–**	–

e) Reconciliation of Defined Benefit Obligation:

Particulars	Gratuity plan		Compensated absences	
	As at 31.03.2017	*As at 31.03.2016*	**As at 31.03.2017**	*As at 31.03.2016*
	₹	₹	₹	₹
Opening balance of the present value of defined benefit obligation	**1,736,321**	*1,450,891*	**1,980,761**	*1,543,744*
Add: Current service cost	**232,904**	*205,751*	**196,201**	*143,801*
Add: Interest cost	**129,027**	*111,230*	**146,188**	*117,962*
Add/(less): Actuarial losses/(gains)	**(36,475)**	*(130,855)*	**400,969**	*32,670*
Less: Benefits paid	**(89,694)**		**(356,951)**	
Add: Past service cost		*99,304*	**(315,626)**	
Add: Prior year Change				*142,584*
Closing balance of the present value of defined benefit obligation	**1,972,083**	*1,736,321*	**2,051,542**	*1,980,761*

f) Reconciliation of Plan Assets:

Particulars	Gratuity plan		Compensated absences	
	As at 31.03.2017	*As at 31.03.2016*	**As at 31.03.2017**	*As at 31.03.2016*
	₹	₹	₹	₹
Interest Income	**(27,693)**	–	**–**	–
Return on plan assets excluding amounts included in interest income	**55,386**	–	**–**	–
Contributions by employer	**1,463,027**	–	**–**	–
Closing value of plan assets	**1,490,720**	–	**–**	–

g) Reconciliation of Net Defined Benefit Liability:

Particulars	Gratuity plan		Compensated absences	
	As at 31.03.2017	*As at 31.03.2016*	**As at 31.03.2017**	*As at 31.03.2016*
	₹	₹	₹	₹
Net opening provision in books of accounts	**1,736,321**	*1,450,891*	**1,980,761**	*1,543,744*
Employee Benefit Expense	**389,624**	*416,285*	**427,732**	*437,017*
Amounts recognized in Other Comprehensive Income	**(91,861)**	*(130,855)*	**–**	–
	2,034,084	*1,736,321*	**2,408,493**	*1,980,761*
Benefits paid by the Company	**(89,694)**	–	**(356,951)**	–
Contributions to plan assets	**(1,463,027)**	–		
Closing provision in books of accounts	**481,363**	*1,736,321*	**2,051,542**	*1,980,761*

NOTES FORMING PART OF ACCOUNTS (Contd.)

h) Principal actuarial assumptions at the Balance Sheet date:

Particulars	**As at 31.03.2017** ₹	*As at 31.03.2016* ₹
1) Discount rate	**6.95%**	*7.80%*
2) Salary growth rate	**6.00%**	*6.00%*
3) Withdrawal rate	**15% at younger ages reducing to 3% at older age**	*15% at younger ages reducing to 3% at older age*

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

Particulars	**Change in Assumptions**	**Impact on Defined Benefit Obligation**	
	Increase/(Decrease)	**Increase/(Decrease) in Assumptions**	
	%	**₹**	**%**
Discount Rate	0.50%	1,901,703	-3.60%
	-0.50%	2,046,890	3.80%
Salary Growth Rate	0.50%	2,047,218	3.80%
	-0.50%	1,900,764	-3.60%

j) The expected contributions to the defined benefit plan in the next annual reporting period (March 31, 2018) is ₹ 1,67,598/-

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

Particulars	**As at 31.03.2017** ₹	*As at 31.03.2016* ₹	*As at 01.04.2015* ₹
Insurer managed funds	**100%**	–	–
Investments quoted in active markets	**–**	–	–
Cash and cash equivalents	**–**	–	–
Unquoted investments	**–**	–	–
Total	**100%**	*0%*	*0%*

l) Details of Asset-Liability Matching Strategy

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

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

4) DISCLOSURE PURSUANT TO IND AS 23 BORROWING COSTS

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

5) DISCLOSURE OF SEGMENT INFORMATION PURSUANT TO IND AS 108 OPERATING SEGMENTS

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

a) List of related parties

Ultimate Holding Company :	Larsen & Toubro Limited
Holding Company :	L&T Infrastructure Development Projects Limited
Fellow Subsidiaries :	L&T Halol Shamlaji Tollway Limited
	L&T Inter state Road Corridor Limited
	L&T Rajkot-Vadinar Tollway Limited
	L&T Samakhiali Gandidham Tollway Limited
	Panipat Eleveted Corridor Limited
	PNG Tollway Limited
	Ahmedabad-Maliya Tollway Limited
	L&T BPP Tollway Limited
	L & T Western India Tollbridge Limited
	L&T Transportation Infrastructure Limited
	L&T General Insurance Company Limited
Key Managerial Personnel :	Manager Mr.Rajesh Tilokan
	CFO- Mr.Gobinda Chandra Das
Key Managerial Personnel of Ultimate Holding Company:	Manager - Mr. K.Venkatesh
	CFO- Mr.Karthikeyan T.V

b) Disclosure of related party transactions:

Particulars	**2016-17** ₹	*2015-16* ₹
Nature of transaction		
1 Purchase of goods and services incl. taxes		
Ultimate Holding company Larsen & Toubro Limited	**7,711,638**	*10,279,569*
Holding company L&T Infrastructure Development Projects Limited	**49,480,006**	*47,828,001*
Fellow subsidiary :		
L&T General Insurance Company Limited	**7,308,209**	*5,855,549*
2 Purchase of assets		
Fellow subsidiary :		
L&T BPP Tollway Limited		*231,904*
L&T Samakhiali Gandidham Tollway Limited		*66,119*
PNG Tollway Limited	**85,205**	–
3 Interest Expenses		
Holding company L&T Infrastructure Development Projects Limited	**–**	*6,239,868*
Fellow subsidiary :		
L&T Transportation Infrasture Limited	**–**	*1,659,988*
4 ICD / Mezzanine Debt / Unsecured Loan received		
Holding company L&T Infrastructure Development Projects Limited	**1,045,000,000**	–
Fellow subsidiary :		
L&T Transportation Infrasture Limited	**–**	*50,000,000*
5 ICD / Mezzanine Debt / Unsecured Loan Repaid		
Holding company L&T Infrastructure Development Projects Limited	**–**	*225,000,000*
Fellow subsidiary :		
L&T Transportation Infrasture Limited	**–**	*50,000,000*

NOTES FORMING PART OF ACCOUNTS (Contd.)

	Particulars	2016-17 ₹	2015-16 ₹
6	**ICD / Mezzanine Debt / Unsecured Loan given**		
	Holding company L&T Infrastructure Development Projects Limited	**1,045,000,000**	–
	Fellow subsidiary :		
	L&T Samakhiali Gandidham Tollway Limited	**83,100,705**	–
	Ahmedabad-Maliya Tollway Limited	**95,588,972**	–
	L&T Rajkot Vadinar Tollway Limited	**95,030,606**	–
7	**Reimbursement of expenses charged by**		
	Fellow subsidiary :		
	L&T Halol Shamlaji Tollway Limited	**–**	*105,162*
	Ahmedabad-Maliya Tollway Limited	**219,640**	–
8	**Reimbursement of expenses charged to**		
	Holding company L&T Infrastructure Development Projects Limited	**678,599**	–
	Fellow subsidiary :		
	L&T Rajkot Vadinar Tollway Limited	**66,000**	*70,000*
	Panipat Eleveted Corridor Limited	**30,000**	*1,000*
	L&T Halol Shamlaji Tollway Limited	**55,000**	*735,306*
	L&T Wester India Tollbridge Limited	**3,909,557**	*2,769,582*
	Ahmedabad-Maliya Tollway Limited	**75,000**	–
	L&T BPP Tollway Limited	**86,000**	–
	L&T Inter state Road Corridor Limited	**12,000**	–
	L&T Samakhiali Gandidham Tollway Limited	**31,000**	–
9	**Refundable deposit received for Director's Nomination**		
	Holding company L&T Infrastructure Development Projects Limited	**300,000**	–
10	**Commercial paper given**		
	Holding company L&T Infrastructure Development Projects Limited	**483,674,500**	–
11	**Commercial paper repaid**		
	Holding company L&T Infrastructure Development Projects Limited	**483,674,500**	–
12	**Interest received on Commercial paper**		
	Holding company L&T Infrastructure Development Projects Limited	**16,325,500**	–
13	**Interest received on ICD / Mezzanine Debt / Unsecured Loan**	**29,501,412**	–

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

Particulars	Amounts due (to)/from As at 31.03.2017 ₹	As at 31.03.2016 ₹
Ultimate Holding Company		
Larsen & Toubro Limited	**(15,239,419)**	*(10,064,553)*
Holding Company		
L&T Infrastructure Development Projects Limited	**(2,768,453)**	*55,847*

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.

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

f) **Compensation of Key Management personnel of the group**

Particulars	**As at 31.03.2017** ₹	*As at 31.03.2016* ₹
Short term employee benefits	**1,849,222**	*1,473,767*
Post employment gratuity and medical benefits		
Other long term benefits	**9,511**	*329,205*
Termination benefits	**NA**	*NA*
Share based payment transactions	**NA**	*NA*

7) **DISCLOSURE PURSUANT TO IND AS 12 INCOME TAXES**

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

Particulars	**As at 31.03.2017** ₹	*As at 31.03.2016* ₹
Profit and loss section:		
Current tax :		
Current income tax charge	**45,932,881**	*20,107,606*
Effect of prior period adjustments		
Deferred tax :		
Relating to origination and reversal of temporary differences		
Effect on deferred tax balances due to change in income tax rate		
Effect of previously unrecognised tax losses and tax offsets used during the current year to reduce deferred tax expense		
Income tax reported in the statement of profit and loss	**45,932,881**	*20,107,606*
Current Tax & Deferred Tax - Equity		
Deferred Tax on Transition Adjustments	**-5,974,713**	*–*
	39,958,168	*20,107,606*

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

Particulars	**As at 31.03.2017** ₹	*As at 31.03.2016* ₹
Accounting profit before tax from continuing operations	**223,157,612**	*192,742,809*
Profit/Loss from discontinued operations	**–**	*–*
Accounting Profit before income tax		
At India's Statutory income tax rate of 34.608% (31 March 2016 - 34.608%)	**77,230,386**	*66,704,431*
Change in profits on account of translational differences	**–**	*(32,573,814)*
Deductions under Chapter VIA	**(436,462,399)**	*(210,904,144)*
Non deductible expenses for tax purposes	**41,041,933**	*15,699,690*
Impairment of goodwill	**–**	*–*
Other non deductible expenses	**364,122,960**	*181,181,442*
Tax as per Statement of Profit and Loss	**45,932,881**	*20,107,606*
Income tax expense reported in the statement of profit and loss	**45,932,881**	*20,107,606*
Income tax attributable to discontinued operations		
	45,932,881	*20,107,606*

NOTES FORMING PART OF ACCOUNTS (Contd.)

8) DISCLOSURE PURSUANT TO IND AS 33 EARNINGS PER SHARE

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

Particulars		2016-17 ₹	*2015-16* ₹
Basic earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	**177,132,870**	*172,504,348*
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	**43,500,000**	*43,500,000*
Basic earnings per equity share (₹)	A / B	**4.07**	*3.97*
Diluted earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	**177,132,870**	*172,504,348*
Add : Interest on convertibles (net of tax)	B		
Profit for the year attributable to owners of the Company for the calculating of diluted earnings per share (₹)	C = A+B	**177,132,870**	*172,504,348*
Weighted average number of equity shares outstanding for calculating basic earnings per share	D	**43,500,000**	*43,500,000*
Add : Shares deemed to be issued for no consideration in respect of :	E	**–**	*–*
Compulsorily convertible preference share capital	F		
Compulsorily convertible debentures	G		
Weighted average number of equity shares outstanding for calculating diluted earnings per share	H = D + E	**43,500,000**	*43,500,000*
Diluted earnings per equity share (₹)		**4.07**	*3.97*
Face value per equity share (₹)		**10.00**	*10.00*

9) DISCLOSURE PURSUANT TO IND AS 36 IMPAIRMENT OF ASSETS

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

10) DISCLOSURES AS PER IND AS 37 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

a) Nature of provision:

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

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

As per Concession agreement with NHAI the periodic maintenance is expected to occur after every 5 years. The maintenance cost / bituminous overlay may vary based on the actual usage during maintenance period. Accordingly on the grounds of prudence, based on estimates, a provision for major maintenance expenses is provided for in the books annually.

b) Movement in provisions:

Particulars	As at 31.03.2017 ₹	*As at 31.03.2016* ₹	*As at 01.04.2015* ₹
Opening balance	**368,867,515**	*143,100,000*	*–*
Additional provision	**294,493,404**	*275,700,000*	*170,106,596*
Utilised			
Unused amounts reversed			
Unwinding of discount and changes in discount rate	**(91,506,091)**	*(49,932,485)*	*(27,006,596)*
Closing balance	**571,854,828**	*368,867,515*	*143,100,000*

c) Contingent liabilities :

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	10,316,500	4,755,670	15,072,170
(+) Permitted receipts	45,424,500	180,548,490	225,972,990
(-) Permitted payments	–	8,756,190	8,756,190
(-) Amount deposited in Banks	55,741,000	153,773,905	209,514,905
Closing cash in hand as on 30.12.2016	–	22,774,065	22,774,065

12) FIRST TIME ADOPTION OF IND AS

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. This amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the company from April 1, 2017.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

Exemptions availed

In preparing these Ind AS financial statements, the company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the company in restating its previous GAAP financial statements, including the Balance Sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016

Deemed cost of Property, plant and equipment

The company has elected to measure certain items of property, plant and equipment at fair value at the date of transition to Ind AS. Hence at the date of transition to Ind AS, measured as per the previous GAAP and use the same as deemed cost as on the date of transition to Ind AS

Amortization of Tolling Rights

For transition to IndAS, the Company has availed the option to continue with the Straight line 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.

Exceptions availed

Estimates

The company's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

13) DISCLOSURE PURSUANT TO IND AS 19 - LEASES

Future minimum rentals for non-cancellable leases as on 31st March 2017 is as follows :

Particulars	**As at 31.03.2017** ₹	*As at 31.03.2016* ₹	*As at 01.04.2015* ₹
Within one year	**1,48,240**	*1,48,240*	*1,47,094*
After one year but not more than five years			
More than five years			
Total	**1,48,240**	*1,48,240*	*1,47,094*

NOTES FORMING PART OF ACCOUNTS (Contd.)

14) FINANCIAL INSTRUMENTS

Disclosure of Financial Instruments by Category

Financial instruments by categories	**Note no.**	**31.03.2017**			*31.03.2016*			*01.04.2015*		
		FVTPL	**FVTOCI**	**Amortized cost**	*FVTPL*	*FVTOCI*	*Amortized cost*	*FVTPL*	*FVTOCI*	*Amortized cost*
		₹	₹	₹	₹	₹	₹	₹	₹	₹
Financial asset										
Security Deposits	4	**–**	**–**	**2,786,801**	–	–	*2,787,801*			*2,750,743*
Loans to Related Parties	4			**–**						
Investments	6	**–**	**–**		*29,163,635*	–				
Cash and cash equivalents	7	**–**	**–**	**43,637,631**	–	–	*249,250,749*			*105,179,779*
Other Current Financial Asset		**–**	**–**	**–**	–	–	–	–	–	–
Total Financial Asset		**–**	**–**	**46,424,432**	*29,163,635*	–	*252,038,550*	–	–	*107,930,522*
Financial liability										
Term Loan from Banks	10	**–**	**–**	**273,263,072**	–	–	*4,292,416,791*	–	–	*7,550,735,979*
Debentures	10	**–**	**–**	**9,355,000,000**	–	–	*5,380,000,000*	–	–	–
Interest Accrued	11	**–**	**–**	**198,828,360**	–	–	*4,502,884*	–	–	*14,208,668*
Deposit Received	11			**1,471,380**			*1,705,380*			*44,000*
Current Maturities of Long Term borrowings	11			**60,000,000**			*89,656,489*			*1,116,723,000*
Trade Payables	14	**–**	**–**	**29,820,165**	–	–	*16,769,096*	–	–	*77,725,300*
Total Financial Liabilities		**–**	**–**	**9,918,382,977**	–	–	*9,785,050,640*	–	–	*8,759,436,947*

Default and breaches

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

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

15) FAIR VALUE OF FINANCIAL ASSET AND LIABILITIES AT AMORTIZED COST

Particulars	**Note**	**As at 31.03.2017**		*As at 31.03.2016*		*As at 01.04.2015*	
		Carrying amount	**Fair value**	*Carrying amount*	*Fair value*	*Carrying amount*	*Fair value*
		₹	₹	₹	₹	₹	₹
Financial Assets							
Security Deposits	4	2,786,801	2,786,801	*2,787,801*	*2,787,801*	*2,750,743*	*2,750,743*
Loans to Related Parties	4	–	–	–	–	–	–
Total Financial Assets		2,786,801	2,786,801	*2,787,801*	*2,787,801*	*2,750,743*	*2,750,743*
Financial liability							
Term Loan from Banks	10	273,263,072	273,263,072	*4,292,416,791*	*4,292,416,791*	*7,550,735,979*	*7,550,735,979*
Debentures	10	9,355,000,000	9,355,000,000	*5,380,000,000*	*5,380,000,000*	–	–
Interest Accrued	11	198,828,360	198,828,360	*4,502,884*	*4,502,884*	*14,208,668*	*14,208,668*
Deposit Received	11	1,471,380	1,471,380	*1,705,380*	*1,705,380*	*44,000*	*44,000*
Current Maturities of Long Term borrowings	11	60,000,000	60,000,000	*89,656,489*	*89,656,489*	*1,116,723,000*	*1,116,723,000*
Trade Payables	14	29,820,165	29,820,165	*16,769,096*	*16,769,096*	*77,725,300*	*77,725,300*
Total Financial Liabilities		9,918,382,977	9,918,382,977	*9,785,050,640*	*9,785,050,640*	*8,759,436,947*	*8,759,436,947*

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

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

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

16) FAIR VALUE MEASUREMENT

Fair Value Measurement of Financial asset and Financial liabilities

NOTES FORMING PART OF ACCOUNTS (Contd.)

Fair value hierarchy

As at March 31, 2017

Financial Asset & Liabilities Measured at FV - Recurring FVM	**Note No.**	**Level 1 ₹**	**Level 2 ₹**	**Level 3 ₹**	**Total ₹**
Financial asset measured at FVTPL					
Investments in Mutual Funds	**6**	**1,879,164,797**	**–**	**–**	**1,879,164,797**
Total of Financial Assets		**1,879,164,797**	**–**	**–**	**1,879,164,797**
Financial Liabilities measured at FVTPL		**–**	**–**	**–**	**–**
Total of Financial Liabilities		**–**	**–**	**–**	**–**

Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed	**Note No.**	**Level 1 ₹**	**Level 2 ₹**	**Level 3 ₹**	**Total ₹**
Financial Assets					
Security Deposits	**5**	**–**	**2,786,801**	**–**	**2,786,801**
Loans to Related Parties	**5**	**–**	**–**	**–**	**–**
Total of Financial Assets		**–**	**2,786,801**	**–**	**2,786,801**
Financial Liabilities					
Term Loan from Banks	**10**	**–**	**273,263,072**	**–**	**273,263,072**
Debentures	**10**	**–**	**9,355,000,000**	**–**	**9,355,000,000**
Total Financial liabilities		**–**	**9,628,263,072**	**–**	**9,628,263,072**

As at March 31, 2016

Financial Asset & Liabilities Measured at FV - Recurring FVM	**Note No.**	*Level 1 ₹*	*Level 2 ₹*	*Level 3 ₹*	*Total ₹*
Financial asset measured at FVTPL					
Investments in Mutual Funds	**6**	*452,175,383*	*–*	*–*	*452,175,383*
Total of Financial Assets		*452,175,383*	*–*	*–*	*452,175,383*
Financial Liabilities measured at FVTPL		*–*	*–*	*–*	*–*
Total of Financial Liabilities		*–*	*–*	*–*	*–*

Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed	**Note No.**	*Level 1 ₹*	*Level 2 ₹*	*Level 3 ₹*	*Total ₹*
Financial Assets					
Security Deposits	**5**	*–*	*2,787,801*	*–*	*2,787,801*
Total of Financial Assets		*–*	*2,787,801*	*–*	*2,787,801*
Financial Liabilities					
Term Loan from Banks	**10**	*–*	*4,292,416,791*	*–*	*4,292,416,791*
Debentures	**10**	*–*	*5,380,000,000*	*–*	*5,380,000,000*
Total Financial liabilities		*–*	*9,672,416,791*	*–*	*9,672,416,791*

NOTES FORMING PART OF ACCOUNTS (Contd.)

As at April 1, 2015

Financial Asset & Liabilities Measured at FV - Recurring FVM	**Note No.**	*Level 1* ₹	*Level 2* ₹	*Level 3* ₹	*Total* ₹
Financial asset measured at FVTPL					
Investments in Mutual Funds	**6**	–	–	–	–
Total of Financial Assets		–	–	–	–
Financial Liabilities measured at FVTPL		–	–	–	–
Total of Financial Liabilities		–	–	–	–

Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed	**Note No.**	*Level 1* ₹	*Level 2* ₹	*Level 3* ₹	*Total* ₹
Financial Assets					
Security Deposits	**5**	–	*2,750,743*	–	*2,750,743*
Total of Financial Assets		–	*2,750,743*	–	*2,750,743*
Financial Liabilities					
Term Loan from Banks	**10**	–	*7,550,735,979*	–	*7,550,735,979*
Debentures	**10**	–		–	–
Total Financial liabilities		–	*7,550,735,979*	–	*7,550,735,979*

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

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

Valuation technique and inputs used to determine fair value

Financial assets and liabilities	**Valuation method**	**Inputs**
Financial assets		
Investment in Mutual Funds	Market Approach	NAV
Security deposit	Income	Cash flow
Financial liabilities		
Term Loan from Banks	Income	Current Bank Rate
Loans from Related parties	Income	Current Bank Rate

17) ASSET PLEDGED AS SECURITY

Particulars	**Note No.**	**As at 31.03.2017** ₹	*As at 31.03.2016* ₹	*As at 01.04.2015* ₹
Non Current Financial Asset				
Property, Plant & Equipment	1	**8,592,057**	*20,242,197*	*38,725,652*
Intangible asset	2	**5,511,207,825**	*6,645,657,815*	*7,767,409,476*
Other Financial Asset	4	**276,507,084**	*2,787,801*	*2,750,743*
Financial Asset				
Cash and Cash Equivalents	7	**43,637,631**	*249,250,749*	*105,179,779*
Investments In Mutual Fund	6	**1,879,164,797**	*452,175,383*	
Other Financial Asset	5	**169,919,305**	*15,904,675*	*13,297,010*
TOTAL		**7,889,028,699**	*7,386,018,620*	*7,927,362,660*

NOTES FORMING PART OF ACCOUNTS (Contd.)

18) FINANCIAL RISK MANAGEMENT

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

Market risk

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

i Foreign Currency Risk

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

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

ii Interest rate risk

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

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

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

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

Particulars	**As at 31.03.2017** ₹	*As at 31.03.2016* ₹	*As at 01.04.2015* ₹
Senior Debt from Banks - Variable rate borrowings	**333,263,072**	*4,382,073,280*	*10,432,881,475*

Sensitivity analysis based on average outstanding Senior Debt

	Impact on profit/ loss after tax	
Interest Rate Risk Analysis	**As at 31.03.2017** ₹	*As at 31.03.2016* ₹
Increase or decrease in interest rate by 25 base point	**5,894,170**	*18,518,693*

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

iii Price risk

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

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

The company measures risk through sensitivity analysis.

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

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

Particulars	**Note No.**	**As at 31.03.2017** ₹	*As at 31.03.2016* ₹	*As at 01.04.2015* ₹
Investments in Mutual Funds	**6**	**1,879,164,797**	*452,175,383*	–

Sensitivity analysis

	Impact on profit/ loss after tax	
	As at 31.03.2017 ₹	*As at 31.03.2016* ₹
Increase or decrease in NAV by 2%	**37,583,296**	*9,043,508*

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

iv Liquidity risk

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

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

The company measures risk by forecasting cash flows.

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

The following are the contractual maturities of financial liabilities

As at March 31, 2017	**Carrying Amount**	**upto 1 year**	**1 - 2 years**	**2 - 5 years**	**> 5 years**
Non Derivative Financial Liability					
Senior Debt from Banks	**333,263,072**	**60,000,000**	**139,551,865**	**139,743,923**	**–**
Trade Payables	**29,820,165**	**29,820,165**			
Derivative Financial Liability	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

As at March 31, 2016	*Carrying Amount*	*upto 1 year*	*1 - 2 years*	*2 - 5 years*	*> 5 years*
Non Derivative Financial Liability					
Senior Debt from Banks	*4,382,073,280*	*89,656,489*	*60,000,000*	*279,295,788*	*3,953,121,003*
Trade Payables	*16,769,096*	*16,769,096*			
Derivative Financial Liability	*NIL*	*NIL*	*NIL*	*NIL*	*NIL*

As at April 01, 2015	*Carrying Amount*	*upto 1 year*	*1 - 2 years*	*2 - 5 years*	*> 5 years*
Non Derivative Financial Liability					
Senior Debt from Banks	*10,432,881,475*	*1,116,723,000*	*89,656,489*	*3,139,500,000*	*6,087,001,986*
Trade Payables	*77,725,300.00*	*77,725,300*			
Derivative Financial Liability	*NIL*	*NIL*	*NIL*	*NIL*	*NIL*

v Credit risk

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

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

19 DISCLOSURE PURSUANT TO APPENDIX - A TO IND AS 11 - SERVICE CONCESSION ARRANGEMENTS

i Description and classification of the arrangement:

Vadodara Bharuch Tollway Limited is a Special Purpose Vehicle (SPV) incorporated on 23rd December 2005 for the purpose of widening of existing four-lane eighty three kilometers Road stretch from KM 108.7000 to 192.000 of National Highway No. 8 in the State of Gujarat and operation and maintenance thereof, under the Concession Agreement dated 12 July, 2006 with National Highway Authority of India. The Concession Agreement is for a period 15 years from 8th January 2007, being the Commencement Date stated in clause 1.1 of the said agreement. Commercial Date of Operation started on 3rd June 2009. At the end of Concession period (i.e. 7th January 2022), the entire facility will be transferred to NHAI.

ii Significant Terms of the arrangements

(a) Revision of Fees:

Fees shall be revised annually on July 01 as per Schedule G of the Concession Agreement dated July 12, 2006.

(b) Concession Fee

As per Article 7 of the Concession Agreement, the company is liable to pay Concession Fee ₹ 1 every year.

iii Rights of the Company for use Project Highway

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

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

iv. Obligation of the Company

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

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

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

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

vi. Details of Termination

CA can be terminated on account of default of the company or NHAI in the circumstances as specified under article 32 of the CA.

20) TRANSITIONAL ADJUSTMENTS

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

(i) Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised over the tenor of the loan. For transition to IndAS, such transaction costs are adjusted with the fair value of the borrowings on initial recognition. Interest on the borrowings is accounted under the Effective Interest Rate method (EIR). Accordingly borrowings as at 31 March 2015 have been reduced by ₹ NIL. Consequently an amount of ₹ 6,82,80,436/- has been derecognised from toll collection rights with an effect of ₹ 6,82,80,436/- to retained earnings.

(ii) Provisions

Under Indian GAAP, the Company had accounted for provisions, including the provision periodic major maintenance at the amounts expected to settle the obligation on an undiscounted basis since the previous GAAP prohibited discounting of provisions other than employee benefits. For transition to Ind AS, the provisions are recognised at the present value of the expenditure expected to be required to settle the obligation. The difference between the carrying amount of provisions under IndAS and IGAAP is accounted for in the opening reserves amounting to ₹ 2,70,06,596/-. Consequently, provision for periodic major maintenance as at the transition date is adjusted to the extent of ₹ 2,70,06,596/-.

(iii) Current investments

Under Indian GAAP, investment in mutual funds were stated at lower of cost and fair value. Any gain/loss on disposal was accounted for in the statement of profit and loss. For transition, mutual fund investments are categorised as Financial instruments at Fair Value Through Profit or Loss (FVTPL). Any unrealised gains/losses are included in the carrying amount of such investments as at the reporting date. Consequently the carrying amount of mutual fund investments as of 1st April, 2015 is increased by ₹ NIL with a corresponding increase in the reserves.

21) CHANGE IN ACCOUNTING ESTIMATE:

The company has re-estimated the outflow of Major maintainance from 31st March'20 to 30th June'19 and accordingly prospective effect is given in provision in current and future periods.

22) The name of company is changed from L&T Vadodara Bharuch Tollway Limited to Vadodara Bharuch Tollway Limited w.e.f. 2nd September 2016.

23) There are no amounts due to Micro, Small and Medium enterprises under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006. Hence reporting details of principal and interest does not arise.

24) The corresponding previous year's figures have been regrouped wherever necessary to confirm to the presentation of the current year's accounts.

25) RECONCILIATION OF TOTAL EQUITY

Particulars	31.03.2016 ₹	01.04.2015 ₹
Total Equity as per Previous GAAP	-2,852,235,294	-2,930,748,290
Adjustments as per Ind AS		
Equity Component of Financial Instrument		
Fair Valuation if Investment		
Unwinding of Interest on Loan - Opening	-68,280,437	-68,280,437
Unwinding of Interest on Loan	37,795,945	
Amortisation - Opening	15,669,636	15,669,636
Amortisation	-2,067,870	
Discounting of MMR provision- Opening	27,006,596	27,006,596

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars	31.03.2016 ₹	01.04.2015 ₹
Discounting of MMR provision	49,932,484	
Unwinding of Interest on MMR		
Unwinding of Interest on Mezzanine Debt		
Unwinding of Interest on Mezzanine Debt- Opening		
Investment - Fair valuation	8,461,648	
Exchange Gain Loss difference	-13,589,661	-13,589,661
Total Ind AS Adjustments	54,928,341	-39,193,866
Total Equity as per Ind AS	**-2,797,306,953**	**-2,969,942,156**

26) RECONCILATION OF EQUITY AS AT 31ST MARCH 2016

Particulars	Note	Indian GAAP* ₹	Adjustments ₹	Ind AS ₹
ASSETS				
(1) Non-current assets				
a) Property, plant and equipment	1	20,242,197		20,242,197
b) Intangible assets	2	6,698,064,617	(52,406,802)	6,645,657,815
c) Intangible assets under development	3	–		–
d) Non Current Investment	4	–		–
e) Financial assets		–		
i) Loans	5	2,762,801		2,762,801
f) Deferred tax assets (net)		–		
g) Other non-current assets	6	5,526,440		5,526,440
	A	**6,726,596,055**	**(52,406,802)**	**6,674,189,253**
(2) Current assets				
a) Inventories				
b) Financial assets				
i) Investments	7	443,713,734	8,461,649	452,175,383
ii) Trade receivables	8	–		–
iii) Cash and bank balances	9	249,250,749		249,250,749
iv) Loans	5	25,000		25,000
c) Current tax assets (net)	6	–		–
d) Other current assets	6	10,378,236		10,378,235
	B	**703,367,719**	**8,461,649**	**711,829,367**
TOTAL	**A+B**	**7,429,963,774**	**(43,945,153)**	**7,386,018,620**
EQUITY AND LIABILITIES				
EQUITY				
a) Equity share capital	10	435,000,000		435,000,000
b) Other equity	11	(3,287,235,296)	54,928,343	(3,232,306,953)
	C	**(2,852,235,296)**	**54,928,343**	**(2,797,306,953)**
LIABILITIES				
(1) Non-current liabilities				
a) Financial liabilities				
i) Borrowings	12	9,694,351,207	(21,934,416)	9,672,416,791
ii) Other financial liabilities	13	–		–
b) Provisions	14	449,749,877	(76,939,081)	372,810,796
c) Deferred tax liabilities (net)				–
d) Other non-current liabilities	15	–		–
	D	**10,144,101,084**	**(98,873,497)**	**10,045,227,587**

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars	Note	Indian GAAP* ₹	Adjustments ₹	Ind AS ₹
(2) Current liabilities				
a) Financial liabilities				
i) Borrowings	12	–		–
ii) Trade payables	16	16,769,096		16,769,096
iii) Other financial liabilities	13	95,864,753		95,864,753
b) Other current liabilities	15	25,086,762		25,086,762
c) Provisions	14	377,375		377,375
d) Current tax liabilities (net)	17	–		–
	E	**138,097,986**	–	**138,097,986**
Total Equity and Liabilities	**C+D+E**	**7,429,963,773**	**(43,945,153)**	**7,386,018,620**

27) RECONCILATION OF EQUITY AS AT 1ST APRIL 2015

Particulars	Note	Indian GAAP* ₹	Adjustments ₹	Ind AS ₹
ASSETS				
(1) Non-current assets				
a) Property, plant and equipment	1	38,725,652	–	38,725,652
b) Capital work-in-progress	2	–	–	–
c) Intangible assets	3	7,701,209,015	66,200,461	7,767,409,476
d) Intangible assets under development	4	18,566,254	–	18,566,254
e) Financial assets		–		
i) Loans	5	2,725,743	–	2,725,743
f) Deferred tax assets (net)		–		–
g) Other non-current assets	6	3,633,092		3,633,092
	A	**7,764,859,756**	**66,200,461**	**7,831,060,217**
(2) Current assets				
a) Inventories				
b) Financial assets				
i) Investments	7	–		–
ii) Trade receivables	8	–		–
iii) Cash and bank balances	9	105,179,779	–	105,179,779
iv) Loans	5	25,000		25,000
c) Current tax assets (net)	6	–	–	–
d) Other current assets	6	9,663,918	–	9,663,918
	B	114,868,697	–	114,868,697
TOTAL	**A+B**	**7,879,728,453**	**66,200,461**	**7,945,928,914**
EQUITY AND LIABILITIES				
EQUITY				
a) Equity share capital	10	435,000,000		435,000,000
b) Other equity	11	(3,444,136,021)	39,193,865	(3,404,942,156)
	C	**(3,009,136,021)**	**39,193,865**	**(2,969,942,156)**

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars	Note	Indian GAAP* ₹	Adjustments ₹	Ind AS ₹
LIABILITIES				
(1) Non-current liabilities				
a) Financial liabilities				
i) Borrowings	12	9,316,158,475		9,316,158,475
ii) Other financial liabilities	13	–		–
b) Provisions	14	118,986,002	27,006,596	145,992,598
c) Deferred tax liabilities (net)		–		–
d) Other non-current liabilities	15	–		–
	D	**9,435,144,477**	**27,006,596**	**9,462,151,073**
(2) Current liabilities				
a) Financial liabilities				
i) Borrowings	12	225,000,000		225,000,000
ii) Trade payables	16	77,725,300		77,725,300
iii) Other financial liabilities	13	1,130,975,668		1,130,975,668
b) Other current liabilities	15	19,906,491		19,906,491
c) Provisions	14	112,538		112,538
d) Current tax liabilities (net)	17	–		–
	E	**1,453,719,997**	**–**	**1,453,719,997**
Total Equity and Liabilities	**C+D+E**	**7,879,728,453**	**66,200,461**	**7,945,928,914**

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

Particulars	Note	Indian GAAP* ₹	Adjustments ₹	Ind AS ₹
REVENUE				
Revenue from operations	18	2,821,332,805	–	2,821,332,805
Other income	19	15,438,061	8,461,649	23,899,710
Total income		**2,836,770,866**	**8,461,649**	**2,845,232,515**
EXPENSES				
Cost of materials consumed		–		
Operating expenses	20	433,607,655	(62,800,000)	370,807,655
Employee benefits expense	21	15,692,425	–	15,692,425
Finance costs	22	1,083,598,840	(24,928,430)	1,058,670,410
Depreciation, amortisation and obsolescence		1,165,180,817	2,067,870	1,167,248,687
Administration and other expenses	23	40,201,384	–	40,201,384
Total expenses		**2,738,281,121**	**(85,660,560)**	**2,652,620,561**
Profit/(loss) before exceptional items and tax		**98,489,746**	**94,122,208**	**192,611,954**
Exceptional items (EIP code 90004)		–		
Profit/(loss) before tax		98,489,746	94,122,208	192,611,954
Tax Expense:				
Current tax		20,107,606	–	20,107,606
		20,107,606	**–**	**20,107,606**
Profit/(loss) for the year		**78,382,140**	**94,122,208**	**172,504,348**

NOTES FORMING PART OF ACCOUNTS (Contd.)

I. SIGNIFICANT ACCOUNTING POLICIES

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

1) Basis of preparation

(a) Compliance with IndAS

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

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

These financial statements are the first financial statements of the Company under IndAS. Refer Note 12 for an explanation on how the transition from previous GAAP to IndAS has affected the Company's financial position, financial performance and cash flows.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items which are measured at fair values:

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

(c) Use of estimates and judgements

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

(d) Measurement of fair values

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

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

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

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

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

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

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

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

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

2) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013 (the Act). The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 Statement of Cash 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.

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

3) Revenue recognition

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

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

a) Toll collections from the users of the infrastructure facility constructed by the Company under the Service Concession Arrangement is accounted for based on actual collection, net of revenue share payable under the Concession agreement wherever applicable. Revenue from sale of smart cards, electronic or digital mode of payment is accounted on cash basis. The compensation receivable for categories vehicles exempted from Toll by Concessioning Authority is accounted on cash basis except for the last month of year where it is recognised on estimated realisable value basis.

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

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

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

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

4) Cash and Cash Equivalents

Cash and 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.

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

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

The estimated useful lives of the assets are as follows:

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

An item of property, plant and equipment is derecognised upon disposal. Any gain or loss arising on the disposal of an item of property plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement 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 Straight Line amortisation method prescribed under Schedule II to the Companies Act, 2013.

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

8) Intangible assets

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 Gujarat State Road Development Corporation Ltd (GSRDC), if any. Till the completion of the project, the same is recognised under intangible assets under development. The revenue from toll collection/other income during the construction period is reduced from the carrying amount of intangible assets under development.

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.

NOTES FORMING PART OF ACCOUNTS (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.

9) 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.

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

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

10) Employee benefits

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

(i) Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service. 'The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

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

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

(ii) Post employment benefits

(a) Defined contribution plans:

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

(b) Defined benefit plans:

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

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

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

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

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

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

(iii) Other long term employee benefits:

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

(iv) Termination benefits

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

11) Borrowing costs

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

12) 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.

13) 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.

14) 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

NOTES FORMING PART OF ACCOUNTS (Contd.)

liability that at the time of the transaction affects neither the accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset/liability is realised or settled.

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

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

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

15) 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.

16) Provisions, contingent liabilities and contingent assets

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

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

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

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

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

17) Financial Instruments

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

a) Financial Assets

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

Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost.

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

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

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

A financial asset which is not classified in any of the above categories are measured at fair valued through profit or loss

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

Interest, dividends, losses and gains relating to financial instruments or a component that is a financial liability shall be recognised as income or expenses in profit or loss.. On disposal of debt instruments FVTOCI the cumulative gain or loss previously accumulated in other equity is reclassified to profit & loss. However in case of equity instruments at FVTOCI cumulative gain or loss is not reclassified to profit & loss on disposal of investments.

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when obligation specified in the contract is discharged or cancelled or expires. Impairment of financial assets: The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivable and other contractual rights to receive cash or other financial asset and financial guarantees not designated as at FVTPL. For the purpose of measuring expected credit loss allowance for businesses other than financial services for trade receivables, the Company has used a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information as permitted under Ind AS 109. Impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the statement of profit and loss.

b) Financial Liabilities

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

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

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

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

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

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

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

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.

NOTES FORMING PART OF ACCOUNTS (Contd.)

18) 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.

19) 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.

20) 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.

21) 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.

22) First time adoption of Ind AS

The Company has prepared opening balance sheet as per Ind AS as of April 1, 2015 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below:

1. The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 01 April 2015 (transition date).
2. The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.
3. The Company has opted to continue with the carrying value for all of its PPE as recognised in its previous GAAP financial as deemed cost at the transition date.

As per our report of even date attached
M.K. DANDEKER & CO.
Chartered Accountants
(Firm's Regn No. 000679S)

By the hand of

S. POOSAIDURAI
Partner
Membership No. 223754

Place : Chennai
Date : April 28, 2017

For and on behalf of the Board of

GOBINDA CHANDRA DAS
Chief Financial Officer

Dr. ESTHER MALINI
Director
DIN: 07124748

P. G. SURESH KUMAR
Director
DIN: 07124883

Place : Chennai
Date : April 28, 2017