BOARD'S REPORT

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

FINANCIAL RESULTS

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

Particulars	2016-17	2015-16
	₹ in Crore	*₹ in Crore*
Profit /(Loss) before depreciation, exceptional and extra ordinary items & tax	**2.32**	*(7.04)*
Less: Depreciation and amortisation	**5.84**	*4.44*
Profit/(Loss) before exceptional and extraordinary items and tax	**(3.52)**	*(11.48)*
Profit/(Loss) before tax	**(3.52)**	*(11.48)*
Less: Provision for tax	**–**	*0.02*
Profit/(loss) after tax for the year carried to the balance sheet	**(3.52)**	*(11.46)*
Add: Balance brought forward from previous year	**(22.43)**	*(10.97)*
Balance carried to Balance Sheet	**(25.95)**	*(22.43)*

STATE OF COMPANY'S AFFAIRS

The Company's name was changed from "L&T Devihalli Hassan Tollway Limited" to "Devihalli Hassan Tollway Limited" as approved by the Registrar of Companies with effect from September 06, 2016.

The gross revenue (toll revenue) and other income for the financial year under review were ₹50.90 crore as against ₹ 48.36 crore for the previous financial year registering an increase of 5.26%. The profit before tax was ₹(3.52) crore and the profit after tax was ₹(3.52) crore for the financial year under review as against ₹(11.48) crore and ₹(11.47) respectively for the previous financial year.

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 6.78% of non-cash transactions as compared to the period prior to Demonetization. The Company has realized ₹1.23 crore towards 90% of interest cost for the period of 24 days where the toll had been suspended. The Company has initiated steps to realize the balance O&M & Interest Costs with NHAI.

CAPITAL EXPENDITURE

As at March 31, 2017 the gross fixed and intangible assets including leased assets, stood at ₹374.54 crore and the net fixed and intangible assets, including leased assets, at ₹ 360.97 crore. Capital Expenditure during the year amounted to ₹10.48 crore.

CAPITAL & FINANCE

The Company has not raised any funds during the financial year. During the year, the Company redeemed Non-Convertible Debentures worth ₹ 0.16 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 Companies.

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

Since the Company is engaged in the business of developing infrastructure facility, the provisions of Section 186 of the Companies Act, 2013 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 Note 4 to the audited financial statement.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

There are no material contracts or arrangements entered by the Company during 2016-17 and the disclosure as per Form AOC-2 of the Act is given this Report as Annexure I.

AMOUNT TRANSFERRED TO RESERVES

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

DIVIDEND

The Directors do not recommend payment of dividend for the financial year in view of losses incurred by the company 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 Act 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

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

RISK MANAGEMENT POLICY

The Audit Committee of the Company at its Meeting held on 29th July 2015, has 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.

CORPORATE SOCIAL RESPONSIBILITY

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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.

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

Changes in Directors and KMP

Mr. T.S.Venkatesan, Director, retired by rotation in the Annual General Meeting of the Company held on 29th September 2016. He was re-appointed as Director.

Mr. Mathew George was appointed by the Board as Additional Director of the Company on 26th April 2016 and he was appointed by the shareholders as Director in the Annual General Meeting of the Company held on 29th September 2016. He retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. R.G.Ramachandran was appointed by the Board as Additional Director of the Company on 12th July 2016 and he was appointed by the shareholders as Director in the Annual General Meeting of the Company held on 29th September 2016.

Mr. Karthikeyan T.V resigned as Director of the Company on 12th July 2016.

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

Sr.No.	Name	Designation	DIN
1	Mr. T.S.Venkatesan	Director	01443165
2	Mr. Mathew George	Director	07402208
3	Mr. R.G.Ramachandran	Director	02671982
3	Dr. A.Veeraragavan	Independent Director	07138615
4	Dr. Koshy Varghese	Independent Director	03141594

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. Subhasish Kundu	Manager	29/07/2015
2	Mr. K.G.Subramanian	Chief Financial Officer	29/10/2014
3	Mr. S.Srinivasan	Company Secretary	21/10/2015

NUMBER OF MEETING OF THE BOARD OF DIRECTORS

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. 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 26, 2016	4	4
July 12, 2016	5	3
October 20, 2016	5	5
January 18,2017	5	4
March 20, 2017	5	5

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

INFORMATION TO THE BOARD

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

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

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

AUDIT COMMITTEE

The Company has constituted an Audit Committee in terms of the requirements of the Companies Act, 2013. The Members of the Audit Committee are Dr. A.Veeraragavan, Dr. Koshy Varghese and Mr. T.S.Venkatesan.

During the year, five audit committee meetings were held. The details of the meetings are given below:

Date	Strength of the Committee	No. of members present
April 26, 2016	3	3
July 12, 2016	3	2
October 20, 2016	3	3
January 18,2017	3	2
March 20, 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 is the co-ordinator for the Vigil Mechanism and responsible for receiving, validating, investigating and reporting to the Audit Committee during the year.

The Whistle Blower Policy of the Company meets the requirement of the Vigil Mechanism framework under the 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 Act, read with the rules made thereunder. The Members of the Nomination and Remuneration Committee are Dr. A.Veeraragavan, Dr. Koshy Varghese and Mr. T.S.Venkatesan.

During the year, two nomination and remuneration committee meetings were held and the details are given below:

Date	**Strength of the Committee**	**No. of members present**
April 26, 2016	3	3
July 12, 2016	3	2

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

DECLARATION OF INDEPENDENCE

The Company has received a declaration of independence as stipulated under Section 149(7) of the 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 as Annexure 2 to this Report.

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

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

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

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

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

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

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

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

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

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

Further, the Independent Directors at the meeting held on December 07, 2016, 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 12, 2016. This has been widely disseminated. There were no cases of sexual harassment received in the Company during the year 2016-17.

AUDITOR AND AUDITOR'S REPORT

Statutory Auditors

The Company in the Fifth Annual General Meeting (AGM) held on 25th September 2015 for the F-Y 2015-16 had appointed M/s. Sharp & Tannan, Chartered Accountants, (Firm Reg no: 003792S), Chennai as Statutory Auditors of the Company to hold office from the conclusion of that AGM until the conclusion of the sixth consecutive AGM of the Company to be held during the year 2020.

The Board recommends the ratification of the appointment of M/s. Sharp & Tannan, Chartered Accountants, (Firm Reg no: 003792S), Chennai as Statutory Auditors of the Company from the conclusion of the ensuing AGM until the conclusion of the next AGM. Certificate from the said audit firm has been received to the effect that they are eligible to act as Auditors of the Company under Section 141 of the Companies Act, 2013.

The Auditors' Report for the financial year 2016-17 is unqualified and there are no Emphasis on matters. The Notes to the accounts referred to in the Auditors' Report are self-explanatory and do not call for any further clarifications under section 134(3)(f) of the Companies Act, 2013.

SECRETARIAL AUDITORS

M/s. M. Balaji Rajan & Associates (COP No: 6965), a firm of Company Secretaries in practice, Chennai was appointed to conduct the secretarial audit of the Company for the financial year 2016-17, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. There are no qualifications or adverse remarks in the Secretarial Audit Report.

The secretarial audit report for the financial year 2016-17 is attached as Annexure 3 to this Report.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

	T. S. VENKATESAN	**R. G. RAMACHANDRAN**
Place: Chennai	*Director*	*Director*
Date: April 27, 2017	*DIN: 01443165*	*DIN: 02671982*

ANNEXURE I

FORM NO. AOC.2

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

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

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

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

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

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

For and on behalf of the Board

T. S. VENKATESAN
Director
DIN: 01443165

R. G. RAMACHANDRAN
Director
DIN: 02671982

Place: Chennai
Date: April 27, 2017

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	U45203TN2010PLC075491
Registration Date	27/04/2010
Name of the Company	Devihalli Hassan Tollway Limited*
Category / Sub-Category of the Company	Company Limited by shares/Indian Non-government Company
Address of the Registered office and contact details	P.O.Box.979, Mount Poonamallee Road, Manapakkam, Chennai- 600089
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	NSDL Database Management Limited* * 4th Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 Ph: 022 4914 2591

* The name of the Company was changed from "L&T Devihalli Hassan Tollway Limited" to "Devihalli Hassan Tollway Limited" vide ROC Certificate dated September 06, 2016

* *NSDL Database Management Limited was appointed as Registrar and Share Transfer Agent at the Board Meeting held on July 12, 2016 and the services were transferred from Sharepro Services Limited w.e.f March 22, 2017.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways	42101	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 as on April 01, 2016				No. of Shares held as on March 31, 2017				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	89999995	5*	90000000	100	89999995	5*	90000000	100	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other….									
Sub-total (A) (1):-	**89999995**	**5***	**90000000**	**100**	**89999995**	**5***	**90000000**	**100**	**–**
2) Foreign									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
b) Other - Individuals									
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Other….									
Sub-total (A) (2):-	–	–	–	–	–	–	–	–	–

Category of Shareholders	No. of Shares held as on April 01, 2016				No. of Shares held as on March 31, 2017				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**89999995**	**5***	**90000000**	**100**	**89999995**	**5***	**90000000**	**100**	**–**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.	–	–	–	–	–	–	–	–	–
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B) = (B)(1)+ (B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	**89999995**	**5***	**90000000**	**100**	**89999995**	**5***	**90000000**	**100**	**–**

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

(ii) Shareholding of Promoters

Sl No	Shareholders Name	Shareholding as on April 01, 2016			Shareholding as on March 31, 2017			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Share	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	L&T Infrastructure Development Projects Limited (including nominees)	89999900	99.99	51#	89999900	99.99	51#	–
2	Larsen & Toubro Limited	100	0.01	Nil#	100	0.01	Nil	–
	Total	**90000000**	**100**	**51**	**90000000**	**100**	**51**	**–**

Based on the information received from Promoters

(iii) Change in Promoters' Shareholding: No change in Promoter's Shareholding

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
	For Each of the Directors and KMP	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the Company**
	Shareholding as on April 01, 2016	2	0.001	2	0.001
	Date wise Increase / Decrease in Shareholding during the year 1 share decrease due to resignation of Mr. Karthikeyan T.V 1 share increase due to appointment of Mr. R.G.Ramachandran	1 (increase) 1(decrease)	–	–	–
	Shareholding as on March 31, 2017	2	0.001	2	0.001

V. INDEBTEDNESS

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

(Amount in ₹)

Particulars of the indebtedness	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
April 01, 2016				
i) Principal Amount	2,67,28,45,818	18,15,23,662	–	**2,67,28,45,818**
ii) Interest due but not paid	–	–	–	**–**
iii) Interest accrued but not due	–	–	–	**–**
Total (i+ii+iii)	**2,67,28,45,818**	**18,15,23,662**	**–**	**2,67,28,45,818**
Change in Indebtedness during the financial year				
– Addition	4,26,970	–	–	**4,26,970**
– Reduction	26,72,838	–	–	**26,72,838**
Net Change	**(22,45,868)**	**–**	**–**	**(22,45,868)**
March 31, 2017				
i) Principal Amount	2,67,01,72,980	–	–	**2,67,01,72,980**
ii) Interest due but not paid				**–**
iii) Interest accrued but not due	4,26,970	–	–	**4,26,970**
Total (i+ii+iii)	**2,67,05,99,950**	**–**	**–**	**2,67,05,99,950**

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. Subhasish Kundu	
1.	Gross salary	₹ 16,64,128/-	**₹ 16,64,128/-**
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option	–	**–**
3.	Sweat Equity	–	**–**
4.	Commission	–	**–**
	- as % of profit		
	- others, specify…		
5.	Others, please specify	–	**–**
	Total (A)	**₹ 16,64,128/-**	**₹ 16,64,128/-**
	Ceiling as per the Act(sitting fees)	**₹ 123,25,175/-**	**₹ 123,25,175/-**

B. Remuneration to other directors:

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
		Dr. A.Veeraragavan	Dr. Koshy Varghese	
1	Independent Directors			
	Fee for attending board meeting	₹ 1,25,000/-	₹ 100,000/-	₹ 2,25,000/-
	Committee meetings	₹ 80,000/-	₹ 60,000/-	₹ 1,40,000/-
	Commission	–	–	–
	Others, please specify	–	–	–
	Total (1)	**₹ 205,000/-**	**₹ 160,000/-**	**₹ 3,65,000/-**
2	Other Non-Executive Directors Mr. T. S.Venkatesan Mr. Mathew George Mr.R.G.Ramachandran No Fee for attending board / committee meetings And no Commission	Nil		
	Total (2)	**Nil**	**Nil**	**Nil**
	Total (B)=(1+2)	**₹ 205,000/-**	**₹ 160,000/-**	**₹ 3,65,000/-**
	Total Managerial Remuneration	**N.A.**		
	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. K.G.Subramanian, CFO and Mr. S.Srinivasan, Company Secretary of the Company are employed by the Holding Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

T. S. VENKATESAN
Director
DIN: 01443165

R. G. RAMACHANDRAN
Director
DIN: 02671982

Place: Chennai
Date: April 27, 2017

ANNEXURE 3

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. DEVIHALLI HASSAN 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. DEVIHALLI HASSAN TOLLWAY LIMITED (CIN:U45203TN2010PLC075491) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on31/03/2017 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 DEVIHALLI HASSAN 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.

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

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

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

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

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

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

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

- In the Extra-Ordinary General Meeting held on 30/05/2016 & 08/08/2016 amendment to Articles of Association & Company's Name change approved respectively.

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.

Sd/-

Place :Chennai Signature:
Date : April 20, 2017 Name of Company Secretary in practice / Firm: M.Balaji Rajan
FCS No. C P No: 6965

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. DEVIHALLI HASSAN 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.

Sd/-

Place :Chennai
Date : April 20, 2017

Signature:
Name of Company Secretary in practice / Firm: M.Balaji Rajan
FCS No. C P No: 6965

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DEVIHALLI HASSAN TOLLWAY LIMITED (FORMERLY L&T DEVIHALLI HASSAN TOLLWAY LIMITED)

Report on the Financial Statements

We have audited the accompanying financial statements of Devihalli Hassan Tollway Limited (formerly L&T Devihalli Hassan Tollway Limited) (the 'Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Statement of changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with 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 of 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31 March 2017 and its loss, 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 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure 'A' to this Report, a Statement on the matters specified in para 3 and 4 of the said Order, to the extent applicable.

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

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

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

   (c) the Balance Sheet, the Statement of Profit and Loss, the 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 financial statements comply with the Indian Accounting Standards notified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015;

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

   (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 has disclosed the impact of pending litigation on its financial position in its financial position – Refer Note 16 to the financial statement.;

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

iii. there was 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 financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures carried out by us and relying on the management representation, we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management of the Company. (Refer Note A (11) to the Financial Statements);

for SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 003792S

D. Vinod Kumar
Partner
Membership No. 224549

Place: Chennai
Date: April 27, 2017

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure A referred to in paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of the Independent Auditor's report to the members of Devihalli Hassan Tollway Limited (formerly L&T Devihalli Hassan Tollway Limited) on the Financial Statements for the year ended 31 March 2017, we report that:

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

(b) Fixed Assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records of the Company examined by us, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company does not carry any inventory in its books and hence reporting under clause 3(ii)(a), (b) and (c) of the Order does not arise.

(iii) According to the information and explanations given to us, 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. Accordingly, reporting under clauses 3 (iii) (a), (b) and (c) of the Order does not arise.

(iv) According to the information and explanations given to us, the Company has not advanced any loan, given any guarantee or provided any security to the parties covered under Section 185 and the Company has not given any loan or made investment covered under section 186 of the Companies Act, 2013. Accordingly, reporting under clause 3 (iv) of the Order does not arise.

(v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Accordingly, reporting under clause 3 (v) of the Order does not arise.

(vi) The Central Government has specified maintenance of cost records under section 148(1) of the Companies Act, 2013 read together with Companies (Cost and Audit) Rules, 2014 (as amended) for the operations of the Company for the current financial year. We have broadly reviewed the books of account and records maintained by the Company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, value added tax, cess and other statutory dues applicable to it during the year with appropriate authorities. According to the information and explanations given to us there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess or other statutory dues outstanding as at 31 March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax at March 31, 2017 which have not been deposited on account of a dispute pending are as follows:

Name of the statute	Nature of disputed dues	Total demand (₹)	Amount not deposited (₹)	Period to which the dispute relates	Forum where disputes are pending
Income Tax Act 1961	Income from mutual funds, interest on bank balance and other income taxed as business income	3,386,653	3,386,653	AY 2013-14	Commissioner of Income Tax (Appeals)

There are no dues of sales tax, service tax, duty of excise, duty of customs, Value added tax and Cess as at 31 March 2017 which have not been deposited on account of any dispute.

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a bank or dues to debenture holders during the year.

(ix) In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans taken during the year have been applied for the purposes for which they were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company, or any instances of frauds on the Company by its officers or employees, noticed or reported during the year, nor we have been informed of such cases by the management.

(xi) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order does not arise.

(xiii) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable Accounting Standards.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under clause 3 (xiv) of the Order does not arise.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with the directors during the year. Accordingly, reporting under clause 3 (xv) of the Order does not arise.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3 (xvi) of the Order does not arise.

for SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 003792S

D. Vinod Kumar
Partner
Membership No. 224549

Place: Chennai
Date: April 27, 2017

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) of 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

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

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 ("the Act").

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 Act, 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

for SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 003792S

D. Vinod Kumar
Partner
Membership No. 224549

Place: Chennai
Date: April 27, 2017

BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note	March 31, 2017 ₹	March 31, 2016 ₹	April 01, 2015 ₹
ASSETS				
(1) Non-current assets				
a) Property, Plant and Equipment	1	**18,319,579**	*12,140,141*	*13,890,098*
b) Capital work-in-progress		**1,777,637**	–	–
c) Other intangible assets	2	**3,591,340,981**	*3,559,275,457*	*3,513,693,069*
d) Intangible assets under development	3	**34,975,386**	*56,946,779*	*37,243,309*
e) Financial Assets				
i) Other financial assets	6	**888,930**	*817,095*	*733,335*
f) Other non-current assets	8	**652,201**	–	–
		3,647,954,714	*3,629,179,472*	*3,565,559,811*
Current assets				
a) Financial Assets				
i) Investments	4	**23,692,598**	*18,131,724*	–
ii) Cash and cash equivalents	5	**10,197,322**	*11,421,010*	*14,049,963*
iii) Other financial assets	6	**17,585,422**	*8,156,228*	*9,066,899*
b) Current Tax Assets (net)	7	**556,911**	*590,134*	*2,414,934*
c) Other current assets	8	**13,418,396**	*124,533,962*	*11,718,900*
		65,450,649	*162,833,058*	*37,250,696*
TOTAL		**3,713,405,363**	*3,792,012,530*	*3,602,810,507*
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share capital	9	**900,000,000**	*900,000,000*	*900,000,000*
b) Other Equity	10	**(259,696,268)**	*(224,477,997)*	*(109,764,939)*
		640,303,732	*675,522,003*	*790,235,061*
LIABILITIES				
Non-current liabilities				
a) Financial liabilities				
i) Borrowings	11	**2,660,138,244**	*2,662,590,464*	*2,187,090,573*
b) Provisions	15	**177,198,925**	*106,026,492*	*64,363,699*
		2,837,337,169	*2,768,616,956*	*2,251,454,272*
Current liabilities				
a) Financial liabilities				
i) Borrowings	11	**123,279,070**	*188,833,052*	*402,391,512*
ii) Trade payables	12	**23,612,262**	*27,970,688*	*18,160,728*
iii) Other financial liabilities	13	**87,045,276**	*129,024,644*	*135,298,818*
c) Other current liabilities	14	**1,558,630**	*1,853,944*	*5,099,201*
b) Provision	15	**269,224**	*191,243*	*170,915*
		235,764,462	*347,873,571*	*561,121,174*
Total Equity and Liabilities		**3,713,405,363**	*3,792,012,530*	*3,602,810,507*
Contingent liabilities	16			
Commitments	17			
Other notes forming part of accounts	A			
Significant accounting policies	B			

As per our report attached of even date

For and on behalf of the Board

SHARP & TANNAN
Chartered Accountants
(Firm's Registraion No.: 003792S)
By the hand of

D. VINOD KUMAR
Partner
Membership No. 224549

S. SRINIVASAN
Company Secretary
M. No. A15797

KG SUBRAMANIAN
Chief Financial Officer

R G RAMACHANDRAN
Director
DIN: 02671982

MATHEW GEORGE
Director
DIN: 07402208

Place : Chennai
Date : April 27, 2017

Place : Chennai
Date : April 27, 2017

DEVIHALLI HASSAN TOLLWAY LIMITED
(Formerly known as L&T Devihalli Hassan Tollway Limited)

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

Particulars	Note	2016-17 ₹	2016-17 ₹	*2015-16* ₹	*2015-16* ₹
REVENUE					
Revenue from Operations	**18**		**481,052,473**		*376,806,232*
Construction contract revenue			**25,368,677**		*106,205,854*
Other income	**19**		**2,606,112**		*566,440*
Total income			**509,027,262**		*483,578,526*
EXPENSES					
Construction contract expenses			**25,368,677**		*106,205,854*
Operating expenses	**20**		**139,835,145**		*91,547,296*
Employee benefit expense	**21**		**14,224,779**		*13,869,879*
Finance costs	**22**		**268,950,492**		*308,834,039*
Depreciation, amortisation and obsolescence			**58,424,268**		*44,443,423*
Administration and other expenses	**23**		**37,388,521**		*33,479,047*
Total expenses			**544,191,882**		*598,379,538*
Loss before tax			**(35,164,620)**		*(114,801,012)*
Tax Expense:					
Current tax		**–**		*–*	
Adjustment of tax relating to earlier periods		**–**		*202,864*	
Deferred tax		**–**		*–*	
			–		*202,864*
Loss for the year			**(35,164,620)**		*(115,003,876)*
Other Comprehensive Income	**24**				
i) Items that will not be reclassified to profit or loss (net of tax)			**(53,651)**		*290,818*
Total comprehensive income for the year			**(35,218,271)**		*(114,713,058)*
Earnings per equity share (Basic and Diluted)	**A (8)**		**(0.39)**		*(1.28)*
Face value per equity share			**10.00**		*10.00*

As per our report attached of even date

For and on behalf of the Board

SHARP & TANNAN
Chartered Accountants
(Firm's Registraion No.: 003792S)
By the hand of

D. VINOD KUMAR
Partner
Membership No. 224549

S. SRINIVASAN
Company Secretary
M. No. A15797

KG SUBRAMANIAN
Chief Financial Officer

R G RAMACHANDRAN
Director
DIN: 02671982

MATHEW GEORGE
Director
DIN: 07402208

Place : Chennai
Date : April 27, 2017

Place : Chennai
Date : April 27, 2017

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	Particulars	2016-17 ₹	2015-16 ₹
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net loss before tax and extraordinary items	**(35,164,620)**	*(114,801,012)*
	Adjustments for :		
	Depreciation and amortisation expense	**58,424,268**	*44,443,423*
	Interest expense	**268,950,492**	*308,834,039*
	Interest income	**(96,711)**	*(313,690)*
	Provision for major maintenance	**62,073,577**	*34,017,491*
	(Gain)/loss on exchange rate fluctuation (net)	**(514,632)**	*602,992*
	Net (gain)/loss on investments (including fair value changes)	**(1,994,190)**	*(868,179)*
	(Profit)/loss on sale of fixed assets	**(579)**	*15,602*
	Operating profit before working capital changes	**351,677,605**	*271,930,666*
	Adjustments for:		
	Increase / (Decrease) in provisions	**(940,306)**	*1,257,231*
	Increase / (Decrease) in trade payables and other financial liabilities	**13,699,798**	*(9,682,122)*
	Increase / (Decrease) in other current liabilitites	**(295,314)**	*(3,245,256)*
	(Increase) / Decrease in financial assets	**(8,101,625)**	*826,909*
	(Increase) / Decrease in other current and non-current assets	**111,657,560**	*(114,545,403)*
	Net cash generated from/(used in) operating activities	**467,697,718**	*146,542,025*
	Direct taxes paid (net of refunds)	**(553,771)**	*3,352,277*
	Net Cash(used in)/generated from Operating Activities	**467,143,947**	*149,894,302*
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property plant and equipment and intangible assets	**(124,374,483)**	*(58,361,832)*
	Sale of property plant and equipment and intangible assets	**11,000**	*802,562*
	Purchase of current investments	**(321,656,000)**	*(298,635,000)*
	Sale of current investments	**318,089,316**	*281,371,455*
	Interest received	**96,711**	*313,690*
	Net cash (used in)/generated from investing activities	**(127,833,456)**	*(74,509,125)*
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	(Repayment of) / Proceeds from short term borrowings	**(67,023,662)**	*(204,976,337)*
	Proceeds from long term borrowings	**–**	*2,672,845,818*
	Repayment of long term borrowings	**(2,672,838)**	*(2,232,994,523)*
	Interest paid	**(270,837,679)**	*(312,889,088)*
	Net cash (used in)/generated from financing activities	**(340,534,179)**	*(78,014,130)*
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(1,223,688)**	*(2,628,953)*
	Cash and cash equivalents as at the beginning of the year	**11,421,010**	*14,049,963*
	Cash and cash equivalents as at the end of the year	**10,197,322**	*11,421,010*

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. (Refer Note 5 for the components of cash and cash equivalents)

As per our report attached of even date

For and on behalf of the Board

SHARP & TANNAN
Chartered Accountants
(Firm's Registraion No.: 003792S)
By the hand of

D. VINOD KUMAR
Partner
Membership No. 224549

S. SRINIVASAN
Company Secretary
M. No. A15797

KG SUBRAMANIAN
Chief Financial Officer

R G RAMACHANDRAN
Director
DIN: 02671982

MATHEW GEORGE
Director
DIN: 07402208

Place : Chennai
Date : April 27, 2017

Place : Chennai
Date : April 27, 2017

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

A EQUITY SHARE CAPITAL

Particulars	Note	No of shares	₹
Balance as at 1 April 2015		90000000	900,000,000
Changes in equity share capital during the year	9	–	–
Balance as at 31 March 2016		90000000	900,000,000
Changes in equity share capital during the year	9	–	–
Balance as at 31 March 2017		**90000000**	**900,000,000**

B OTHER EQUITY

Particulars	Reserves & Surplus		Total
	Debenture Redemption Reserve	Retained earnings	
	₹	₹	₹
Balance as at 01 April 2015	–	(109,764,939)	(109,764,939)
Loss for the year	–	(115,003,876)	(115,003,876)
Other comprehensive income	–	290,818	290,818
Total comprehensive income for the year	–	(114,713,058)	(114,713,058)
Balance as at 31 March 2016	**–**	**(224,477,997)**	**(224,477,997)**
Balance as at 31 March 2016	–	(224,477,997)	(224,477,997)
Loss for the year	–	(35,164,620)	(35,164,620)
Other comprehensive income	–	(53,651)	(53,651)
Total comprehensive income for the year	–	(35,218,271)	(35,218,271)
Balance as at 31 March 2017	**–**	**(259,696,268)**	**(259,696,268)**

As per our report attached of even date

SHARP & TANNAN
Chartered Accountants
(Firm's Registraion No.: 003792S)
By the hand of

D. VINOD KUMAR
Partner
Membership No. 224549

Place : Chennai
Date : April 27, 2017

For and on behalf of the Board

S. SRINIVASAN
Company Secretary
M. No. A15797

KG SUBRAMANIAN
Chief Financial Officer

R G RAMACHANDRAN
Director
DIN: 02671982

MATHEW GEORGE
Director
DIN: 07402208

Place : Chennai
Date : April 27, 2017

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

1 PROPERTY, PLANT AND EQUIPMENT

2015-16

(Amount in ₹)

Particulars	Gross Carrying Amount				Depreciation				Carrying value	
	As at April 01, 2015	Additions	Disposals	As at March 31, 2016	As at April 01, 2015	For the year	On Disposals	As at March 31, 2016	As at March 31, 2016	As at April 01, 2015
Owned										
Land	–	1,262,700	–	1,262,700	–	–	–	–	1,262,700	–
Building	150,913	227,001	–	377,914	–	377,904	–	377,904	10	150,913
Plant and Equipment	4,161,361	683,470	–	4,844,831	–	516,644	–	516,644	4,328,187	4,161,361
Furniture and fixtures	602,474	6,000	138,181	470,293	–	197,723	138,184	59,539	410,754	602,474
Vehicles	6,046,964	–	846,380	5,200,584	–	1,102,216	28,213	1,074,003	4,126,581	6,046,964
Office equipment	2,685,051	85,554	28,110	2,742,495	–	896,839	28,110	868,729	1,873,766	2,685,051
Electrical installations	–	–	–	–	–	–	–	–	–	–
Air conditioning and Refrigeration	–	–	–	–	–	–	–	–	–	–
Computers, laptops and printers	243,335	182,398	32,958	392,775	–	287,590	32,958	254,632	138,143	243,335
Total	**13,890,098**	**2,447,123**	**1,045,629**	**15,291,592**	**–**	**3,378,916**	**227,465**	**3,151,451**	**12,140,141**	**13,890,098**

2016-17

(Amount in ₹)

Particulars	Gross Carrying Amount				Depreciation				Carrying value	
	As at April 01, 2016	Additions	Disposals	As at March 31, 2017	As at April 01, 2016	For the year	On Disposals	As at March 31, 2017	As at March 31, 2017	As as March 31, 2016
Owned										
Land	1,262,700	–	–	1,262,700	–	–	–	–	1,262,700	1,262,700
Building	377,914	–	–	377,914	377,904	–	–	377,904	10	10
Plant and Equipment	4,844,831	4,061,172	–	8,906,003	516,644	784,078	–	1,300,722	7,605,281	4,328,187
Furniture and fixtures	470,293	3,735,574	13,666	4,192,201	59,539	609,106	9,245	659,400	3,532,801	410,754
Vehicles	5,200,584	1,029,579	–	6,230,163	1,074,003	1,112,529	–	2,186,532	4,043,631	4,126,581
Office equipment	2,742,495	550,200	–	3,292,695	868,729	1,025,546	–	1,894,275	1,398,420	1,873,766
Computers, laptops and printers	392,775	478,654	99,344	772,085	254,632	134,061	93,344	295,349	476,736	138,143
Total	**15,291,592**	**9,855,179**	**113,010**	**25,033,761**	**3,151,451**	**3,665,320**	**102,589**	**6,714,182**	**18,319,579**	**12,140,141**

a) There are no restrictions on the title of property, plant and equipment. Refer note A(17) for details of property, plant and equipment pledged as security for the liabilities of the Company.

b) Refer Note 17 for disclosure of contractual commitments for the acquisition of property, plant and equipment and/or other intangible assets.

c) The Company has reviewed the future cash flows on the basis of value in use of its Property, Plant and Equipment and Capital work-in-progress and is satisfied that the recoverable amount is more than the carrying amount as per the books. Accordingly, no provision for impairment loss is required to be made in these financial statements.

2 INTANGIBLE ASSETS

2015-16

(Amount in ₹)

Particulars	Cost				Amortisation				Carrying 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	1,205,735	–	–	1,205,735	334,926	401,912	–	736,838	468,897	870,809
Toll collection rights	3,545,608,514	86,646,895	–	3,632,255,409	32,786,254	40,742,132	–	73,528,386	3,558,727,023	3,512,822,260
Total	**3,546,814,249**	**86,646,895**	**–**	**3,633,461,144**	**33,121,180**	**41,144,044**	**–**	**74,265,224**	**3,559,195,920**	**3,513,693,069**

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

2016-17 (Amount in ₹)

Particulars	Cost				Amortisation				Carrying value	
	As at April 01, 2016	Additions	Disposals	As at March 31, 2017	As at April 01, 2016	For the year	On Disposals	As at March 31, 2017	As at March 31, 2017	As as March 31, 2016
Specialised Software	1,205,735	–	–	1,205,735	736,838	401,912	–	1,138,750	66,985	468,897
Toll collection rights	3,632,334,946	93,777,049	6,952,577	3,719,159,418	73,528,386	54,357,036	–	127,885,422	3,591,273,996	3,558,806,560
Total	**3,633,540,681**	**93,777,049**	**6,952,577**	**3,720,365,153**	**74,265,224**	**54,758,948**	**–**	**129,024,172**	**3,591,340,981**	**3,559,275,457**

a) Toll Collection Rights represent the project highway and its components constructed by the Company on Design, Build, Finance, Operate and Transfer ("DBFOT") basis under the Concession Agreement dated June 1, 2010 between the Company and National Highways Authority of India ("NHAI") in the Devihalli-Hassan section on NH-48. The Concession is for a period of 30 years from December 14, 2010. The amortization of the toll collection right is done till he end of the concession peiod which is upto the year 2040.

b) Due to closure of Shiradi Ghat during the period 2 January 2015 to 8 August 2015, the Company had a reduction in revenue resulting in losses. The Company, being eligible for claiming compensation for the loss under Clause 34.6.2 of the Concession Agreement, had claimed compensation for the loss with NHAI. The Independent Engineer has confirmed the compensation to be ₹ 4,57,00,000/- and has recommended an extension of 47 days to the concession period.The Company has recognized the compensation of ₹ 4,57,00,000/- as 'other operating income' and corresponding increase in the concession period as 'Toll collection rights' (Intangible assets).

c) NHAI has suspended toll collection during the period 9 November 2016 to 2 December 2016 (23.29 days) due to demonetisation. This being a force majeure event, the Company is eligible for extension in the toll collection period by 23.29 days (as per Clause 34.6.2 of the Concession Agreement) and for compensation of the force majeure costs (as per Clause 34.7.2 of the Concession Agreement). The Company has claimed force majeure costs of ₹ 24,953,007/- (interest of ₹ 13,994,042 crores and O&M expenses of ₹ 10,958,954/-) from NHAI. Further the Company has estimated the loss of revenue on account of suspension of toll collection to be ₹ 32,637,989/-, based on the average daily collection during October 2016. The loss of profit, representing the difference between loss of revenue (₹ 32,637,989/-) and force majeure costs claimed with NHAI (₹ 24,953,007/-), amounting to ₹ 7,684,993/- crores is recognized as 'Other operating revenue' and the corresponding increase in the concession period by 23.29 days is recognized as 'Toll collection rights' (Intangible assets).

d) Refer Note 17 for disclosure of contractual commitments for the acquisition of property, plant and equipment and/or other intangible assets.

e) The Company has reviewed the future cash flows on the basis of value in use of its intangible assets and intangible assets under development and is satisfied that the recoverable amount is more than the carrying amount as per the books. Accordingly, no provision for impairment loss is required to be made in these financial statements.

3 INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount in ₹)

Particulars	2015-16				2016-17			
	As at April 01, 2015	Additions	Deductions	As at March 31, 2016	As at April 01, 2016	Additions	Deductions	As at March 31, 2017
Construction cost	19,460,813	88,055,241	52,985,799	54,530,255	54,530,255	25,368,677	47,340,070	32,558,862
Pre-operative expenses pending allocation	17,782,496	18,150,613	33,516,585	2,416,524	2,416,524	–		2,416,524
Total	**37,243,309**	**106,205,854**	**86,502,384**	**56,946,779**	**56,946,779**	**25,368,677**	**47,340,070**	**34,975,386**

4 INVESTMENTS

Particulars	As at 31.03.2017		*As at 31.03.2016*		*As at 01.04.2015*	
	Non Current	Current	*Non Current*	*Current*	*Non Current*	*Current*
	₹	₹	₹	₹	₹	₹
Investment in mutual funds - quoted		**23,692,598**		*18,131,724*		–
		23,692,598		*18,131,724*		–

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

(a) Aggregate market value of quoted investments

Particulars	As at 31.03.2017 Quantity Units	As at 31.03.2017 Current ₹	As at 31.03.2016 Quantity Units	As at 31.03.2016 Current ₹	As at 01.04.2015 Quantity Units	As at 01.04.2015 Current ₹
Invesco India Liquid Fund	1,120.159	2,500,638	–	–	–	–
IDFC Cash Fund - Growth -(Regular Plan)	10,752.273	21,191,960	6,087.245	11,193,398	–	–
L&T - Liquid Fund	–	–	3,345.013	6,938,326	–	–
	–	23,692,598	–	18,131,724	–	–

(b) Other particulars regarding the current investments are as follows:

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹	As at 01.04.2015 ₹
Aggregate amount of quoted investments and market value thereof	23,692,598	18,131,724	–

5 CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹	As at 01.04.2015 ₹
a) Balances with banks	5,574,247	9,674,988	12,575,797
b) Cash on hand	4,623,075	1,746,022	1,474,166
	10,197,322	11,421,010	14,049,963

Balance with banks include escrow accounts which carry a first charge to the extent of amount payable as per the waterfall mechanism as defined in the Concession agreement / Common loan agreement. As at March 31, 2017 there are no amounts which are restricted / earmarked for any specific purposes by virture of the said waterfall mechanism (Nil as at 31 March 2016, Nil as at 01 April 2015)

There are no repatriation restrictions in respect of cash and cash equivalents as at the 31 March 2017, 31 March 2016 and as at 01 April 2015.

6 OTHER FINANCIAL ASSETS

Particulars	As at 31.03.2017 Current ₹	As at 31.03.2017 Non-current ₹	As at 31.03.2017 Total ₹	As at 31.03.2016 Current ₹	As at 31.03.2016 Non-current ₹	As at 31.03.2016 Total ₹	As at 01.04.2015 Current ₹	As at 01.04.2015 Non-current ₹	As at 01.04.2015 Total ₹
(Unsecured considerd good)									
Security deposit	60,000	888,930	948,930	100,000	817,095	917,095	100,000	733,335	833,335
Utility shifting recoverable	3,163,129	–	3,163,129	3,882,012	–	3,882,012	3,834,830		3,834,830
Claims receivable from NHAI	14,342,278	–	14,342,278	1,775,765	–	1,775,765	4,880,652		4,880,652
Other receivables	20,015		20,015	2,398,451		2,398,451	251,417		251,417
	17,585,422	888,930	18,474,352	8,156,228	817,095	8,973,323	9,066,899	733,335	9,800,234

7 CURRENT TAX ASSETS (NET)

Particulars	As at 31.03.2017 Current ₹	As at 31.03.2017 Non-current ₹	As at 31.03.2017 Total ₹	As at 31.03.2016 Current ₹	As at 31.03.2016 Non-current ₹	As at 31.03.2016 Total ₹	As at 01.04.2015 Current ₹	As at 01.04.2015 Non-current ₹	As at 01.04.2015 Total ₹
TDS receivable current year	556,911	–	556,911	590,134	–	590,134	2,414,934	–	2,414,934
Provision for current tax	–	–	–	–	–	–	–	–	–
	556,911	–	556,911	590,134	–	590,134	2,414,934	–	2,414,934

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

8 OTHER NON-CURRENT AND CURRENT ASSETS

Particulars	As at 31.03.2017			As at 31.03.2016			As at 01.04.2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Capital advances	–	607,201	607,201	–	–	–	–	–	–
Advances other than capital advances									
Advances to related parties	–	–	–	112,646,260	–	112,646,260	4,983	–	4,983
Advances to employees	10,000	45,000	55,000	–	–	–	–	–	–
Other advances	–	–	–	24,859	–	24,859	–	–	–
Advance recoverable other than in cash									
Prepaid Insurance	1,172,232	–	1,172,232	1,035,177	–	1,035,177	878,423	–	878,423
Prepaid expenses	363,215	–	363,215	–	–	–	–	–	–
VAT recoverable	8,214,570	–	8,214,570	7,756,281	–	7,756,281	6,033,768	–	6,033,768
Income tax net of provisions (previous years)	3,658,379		3,658,379	3,071,385		3,071,385	4,801,726		4,801,726
	13,418,396	652,201	14,070,597	124,533,962	–	124,533,962	11,718,900	–	11,718,900

Advances to directors or other officers of the company or any of them either severally or jointly with any other person or advances to firms or private companies respectively in which any director is a partner or a director or a member is ₹ Nil (Nil as at 31 March 2016, Nil as at 01 April 2015), based on the information available with the company.

9 SHARE CAPITAL

(i) Authorised, issued, subscribed and paid up

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	₹
Authorised:						
Equity shares of ₹ 10 each	90,000,000	900,000,000	90,000,000	900,000,000	90,000,000	900,000,000
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each	90,000,000	900,000,000	90,000,000	900,000,000	90,000,000	900,000,000

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

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	₹
At the beginning of the year	90,000,000	900,000,000	90,000,000	900,000,000	90,000,000	900,000,000
Issued during the year as fully paid	–	–	–	–	–	–
At the end of the year	90,000,000	900,000,000	90,000,000	900,000,000	90,000,000	900,000,000

(iii) Terms / rights attached to equity shares

(a) 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.

(b) 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.

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

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

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

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

Particulars	As at 31.03.2017 No. of shares	As at 31.03.2017 ₹	As at 31.03.2016 No. of shares	As at 31.03.2016 ₹	As at 01.04.2015 No. of shares	As at 01.04.2015 ₹
L&T Infrastructure Development Projects Limited (including nominee holding)	**89,999,900**	**899,999,000**	*89,999,900*	*899,999,000*	*89,999,900*	*899,999,000*
Larsen and Toubro Limited (ultimate holding company)	**100**	**1,000**	*100*	*1,000*	*100*	*1,000*
	90,000,000	**900,000,000**	*90,000,000*	*900,000,000*	*90,000,000*	*900,000,000*

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

Particulars	As at 31.03.2017 No. of shares	As at 31.03.2017 ₹	As at 31.03.2016 No. of shares	As at 31.03.2016 ₹	As at 01.04.2015 No. of shares	As at 01.04.2015 ₹
L&T Infrastructure Development Projects Limited (including nominee holding)	**89,999,900**	**99.99%**	*89,999,900*	*99.99%*	*89,999,900*	*99.99%*

(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 (31 March 2016 : Nil , 01 April 2015 : Nil)

(vii) Calls unpaid : NIL; Forfeited Shares : NIL (31 March 2016: Nil , 01 April 2015 : Nil)

10 OTHER EQUITY

Particulars	Note	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Debenture Redemption Reserve	(a)	**–**	–
Suplus / (Deficit) in Statement of profit or loss	(b)	**(260,170,602)**	*(225,059,633)*
		(260,170,602)	*(225,059,633)*

(a) Debenture Redemption Reserve:

The Company has not transferred any amount to Debenture Redemption Reserve since there was no profits during the current year and in the previous year

(b) Suplus / (Deficit) in Statement of profit or loss

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Balance at the beginning of the year	**(225,059,633)**	*(109,764,939)*
Loss for the year	**(35,164,620)**	*(115,003,876)*
Other comprehensive income arising from remeasurement of defined benefit obligation (net of tax)	**53,651**	*(290,818)*
	(260,170,602)	*(225,059,633)*

Surplus / (Deficit) in profit or loss represents the accumulated profits / losses of the Company.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

11 BORROWINGS

Particulars	As at 31.03.2017 Current	As at 31.03.2017 Non-current	As at 31.03.2017 Total	As at 31.03.2016 Current	As at 31.03.2016 Non-current	As at 31.03.2016 Total	As at 01.04.2015 Current	As at 01.04.2015 Non-current	As at 01.04.2015 Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Secured borrowings									
a) Debentures	–	1,598,826,970	1,598,826,970	–	1,600,000,000	1,600,000,000	–	–	–
b) Term loans									
i) From banks	–	1,064,411,088	1,064,411,088	–	1,065,263,308	1,065,263,308	–	2,227,366,573	2,227,366,573
ii) From others	–	–	–	–	–	–	–	–	–
Unsecured borrowings									
a) Loans from related parties	123,279,070	–	123,279,070	188,833,052	–	188,833,052	402,391,512	–	402,391,512
	123,279,070	2,663,238,058	2,786,517,128	188,833,052	2,665,263,308	2,854,096,360	402,391,512	2,227,366,573	2,629,758,085
Less: current maturities included in "other financial liabilities"	–	3,099,814	3,099,814	–	2,672,844	2,672,844	–	40,276,000	40,276,000
Total	123,279,070	2,660,138,244	2,783,417,314	188,833,052	2,662,590,464	2,851,423,516	402,391,512	2,187,090,573	2,589,482,085

(a) Details of secured loans

(i) The non convertible debentures carry interest at 9.75% and are repayable at par in 72 unequal quarterly installments

(ii) The term loan from bank carry interest at bank rate + applicable spread (10.30% at present) and are repayable in 216 unequal monthly installements.

(b) Details of unsecured loans

The unsercured loans from holding company is repayable on demand and carries interest at the prevailing G-Sec rate as on the date of borrowing

(c) Nature of security for term loans/debentures

(i) First charge by way of hypothecation on all movable/immovable assets of the Company, both present and future, excluding Project assets which is not allowed as per Clause 40.2 of Concession Agreement.

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

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

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

(v) Debt Service Coverage Ratio Support Amount.

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

(vii) Refer Note A(17) for carrying value of the assets pledged as security.

(d) There has been no default in the repayment of borrowings and payment of interest during the year

12 TRADE PAYABLES

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	₹	₹	₹
a) Due to micro and small enterprises	–	–	–
b) Due to related parties	7,443,867	16,598,753	10,147,219
c) Due to others	16,168,395	11,371,935	8,013,509
	23,612,262	27,970,688	18,160,728

There have been no transactions during the year (Nil as at 31 March 2016, Nil as at 01 April 2015) with micro and small enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Hence reporting details of principal and interest paid / outstanding does not arise.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

13 OTHER FINANCIAL LIABILITIES

Particulars	As at 31.03.2017 Current	As at 31.03.2017 Non-current	As at 31.03.2017 Total	*As at 31.03.2016 Current*	*As at 31.03.2016 Non-current*	*As at 31.03.2016 Total*	*As at 01.04.2015 Current*	*As at 01.04.2015 Non-current*	*As at 01.04.2015 Total*
	₹	₹	₹	₹	₹	₹	₹	₹	₹
a) Current Portion of Secured bank loans									
i) Debentures (Infrastructure Debt Funds)	**2,026,970**	**–**	**2,026,970**	*1,600,000*	–	*1,600,000*	–	–	–
ii) From banks	**1,072,844**	**–**	**1,072,844**	*1,072,844*	–	*1,072,844*	*40,276,000*	–	*40,276,000*
b) Due to Related parties									
i) Ultimate holding company	**4,187,745**	**–**	**4,187,745**	*3,381,378*	–	*3,381,378*	*17,386,065*		*17,386,065*
ii) Fellow subsidiaries	**509,759**	**–**	**509,759**	–	–	–			–
c) Other Payable								–	–
i) for capital goods and services	**37,361,198**	**–**	**37,361,198**	*85,760,207*	–	*85,760,207*	*47,607,681*		*47,607,681*
ii) for others	**41,886,760**	**–**	**41,886,760**	*37,210,215*	–	*37,210,215*	*30,029,072*		*30,029,072*
	87,045,276	**–**	**87,045,276**	*129,024,644*	–	*129,024,644*	*135,298,818*	–	*135,298,818*

14 OTHER LIABILITIES

Particulars	As at 31.03.2017 Current	As at 31.03.2017 Non-current	As at 31.03.2017 Total	*As at 31.03.2016 Current*	*As at 31.03.2016 Non-current*	*As at 31.03.2016 Total*	*As at 01.04.2015 Current*	*As at 01.04.2015 Non-current*	*As at 01.04.2015 Total*
	₹	₹	₹	₹	₹	₹	₹	₹	₹
a) Statutory payables	**1,558,630**	**–**	**1,558,630**	*1,853,944*	–	*1,853,944*	*5,099,201*	–	*5,099,201*
	1,558,630	**–**	**1,558,630**	*1,853,944*	–	*1,853,944*	*5,099,201*	–	*5,099,201*

15 PROVISIONS

Particulars	As at 31.03.2017 Current	As at 31.03.2017 Non-current	As at 31.03.2017 Total	*As at 31.03.2016 Current*	*As at 31.03.2016 Non-current*	*As at 31.03.2016 Total*	*As at 01.04.2015 Current*	*As at 01.04.2015 Non-current*	*As at 01.04.2015 Total*
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Provision for employee benefits [Refer note A (3)]									
a) Leave Encashment	**170,096**	**1,100,048**	**1,270,144**	**129,582**	*1,038,451*	*1,168,033*	*145,176*	*586,777*	*731,953*
b) Gratuity	**99,128**	**–**	**99,128**	**61,661**	*856,808*	*918,469*	*25,739*	*894,796*	*920,535*
c) Retention Pay	**–**	**362,974**	**362,974**	**–**	*532,399*	*532,399*	–	–	–
Provisions for periodic major maintenance [Refer note A(10)]	**–**	**175,735,903**	**175,735,903**	**–**	*103,598,834*	*103,598,834*	–	*62,882,126*	*62,882,126*
	269,224	**177,198,925**	**177,468,149**	*191,243*	*106,026,492*	*106,217,735*	*170,915*	*64,363,699*	*64,534,614*

16 CONTINGENT LIABILITIES

Particulars	**As at 31.03.2017**	*As at 31.03.2016*	*As at 01.04.2015*
	₹	₹	₹
(a) Income-tax liability that may arise in respect of which the Company is under appeal	**3,381,689**	*3,381,689*	–

Note: It is not practical to estimate the timing of cash outflows, if any, in respect of matters above pending resolution of appeal proceedings.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

17 COMMITMENTS

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹	As at 01.04.2015 ₹
(a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	**16,066,705**	*33,760,075*	*193,098,084*

18 REVENUE FROM OPERATIONS

Particulars	2016-17 ₹	2016-17 ₹	2015-16 ₹	2015-16 ₹
Operating revenue:				
Toll Collections	**425,645,042**		*376,806,232*	
		425,645,042		*376,806,232*
Other operating revenue:				
NHAI claim for concession extension [Refer note (a) below]		**53,384,993**		–
Utility shifting income		**2,022,438**		–
		481,052,473		*376,806,232*

(a) NHAI claim for concession extension represents the following

(i) Claim for loss of revenue on account of closure of Shiradi Ghat stretch amounting to ₹ 45,700,000/- [Refer note 2(b)]

(ii) Loss of profit on account of demonitization amounting to ₹ 7,684,993/- [Refer note 2(c)]

19 OTHER INCOME

Particulars	2016-17 ₹	2016-17 ₹	2015-16 ₹	2015-16 ₹
Interest income from:				
Bank deposits	**96,711**		–	
Income tax refund	**–**		*313,690*	
		96,711		*313,690*
Net gain/(loss) on sale of investments		**1,981,618**		*717,793*
Financial Assets at FVTPL- Net change in fair value				
Mandatorily measured at FVTPL - Held for trading		**12,572**		*150,386*
Profit/(loss) on disposal of property,plant and equipment		**579**		*(15,602)*
Exchange gain/(loss) on re-instatement of payables		**514,632**		*(602,992)*
Miscellaneous income		**–**		*3,165*
		2,606,112		*566,440*

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

20 OPERATING EXPENSES

Particulars	2016-17 ₹	2016-17 ₹	2015-16 ₹	2015-16 ₹
Toll Management fees		**27,229,989**		*21,405,476*
Security services		**3,610,495**		*3,244,938*
Insurance		**1,805,517**		*1,478,232*
Repairs and maintenance				
Toll road & bridge	**16,873,550**		*11,219,511*	
Plant and machinery	**10,724,833**		*3,343,391*	
Periodic major maintenance	**62,073,577**		*34,017,491*	
Others	**5,770,324**		*10,201,229*	
		95,442,284		*58,781,622*
Power and fuel		**11,746,860**		*6,637,028*
		139,835,145		*91,547,296*

(a) Repairs and maintenance others for the year’ 2016-17 is net of ₹ 7,180,512/-, claims made by the Company from NHAI towards loss of operations and maintenance expenses incurred during demonetization period. [Refer Note A (11)]

21 EMPLOYEE BENEFIT EXPENSES

Particulars	2016-17 ₹	2016-17 ₹	2015-16 ₹	2015-16 ₹
Salaries, wages and bonus [Refer note (a) below]		**10,734,137**		*10,236,491*
Contributions to and provisions for:				
Provident and pension funds (Refer note)	**762,920**		*604,268*	
Gratuity fund (Refer note)	**407,837**		*288,752*	
Compensated absences	**587,450**		*473,769*	
Retention pay	**(169,425)**		*532,399*	
		1,588,782		*1,899,188*
Staff welfare expenses		**1,901,860**		*1,734,200*
		14,224,779		**13,869,879**

(a) Salaries, wages and bonus for the year 2016-17 is net of ₹ 2,909,809/-, claims made by the Company from NHAI towards loss of operations and maintenance expenses incurred during demonetization period. [Refer Note A (11)]

22 FINANCE COSTS

Particulars	2016-17 ₹	2016-17 ₹	2015-16 ₹	2015-16 ₹
Interest on borrowings [Refer Note (a) below]		**253,724,511**		*262,189,587*
Other borrowing cost		**5,162,489**		*39,945,235*
Unwinding of discount and implicit interest expense on fair value		**10,063,492**		*6,699,217*
		268,950,492		*308,834,039*

(a) Interest on borrowings for the year 2016-17 is net of ₹ 13,994,042/-, claimed by the company from NHAI towards loss on account of demonetization. [Refer Note A (11)]

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

23 ADMINISTRATION AND OTHER EXPENSES

Particulars	2016-17 ₹	2016-17 ₹	*2015-16* ₹	*2015-16* ₹
Rent, Rates and taxes		**838,534**		*545,044*
Professional fees		**29,032,385**		*26,347,310*
Postage and communication		**643,427**		*375,494*
Printing and stationery		**649,672**		*674,252*
Travelling and conveyance		**3,521,209**		*2,778,705*
Insurance		**25,108**		*13,933*
Bank Charges		**2,218,358**		*1,943,372*
Miscellaneous expenses		**459,828**		*800,937*
		37,388,521		**33,479,047**

(a) Miscellaneous expenses for the year 2016-17 is net of ₹ 868,644/-, claims made by the Company from NHAI towards loss of operations and maintenance expenses incurred during demonetization period. [Refer Note A (11)]

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

Particulars	2016-17 ₹	*2015-16* ₹
a) As auditor	**449,311**	*445,350*
b) For taxation matters	**241,519**	*137,400*
c) For company law matters	**–**	*13,740*
d) For other services	**860,205**	*423,639*
Total	**1,551,035**	*1,020,129*

(c) The company has not made sufficient profits during the three immediately preceding financial years. Thus, the company has not incurred any expense on Corporate Social Responsibiliy schemes as mandated by Section 135 of the Companies Act, 2013.

24 OTHER COMPREHENSIVE INCOME

Particulars	2016-17 ₹	*2015-16* ₹
(a) Items that will not be reclassified to profit or loss Remeasurements of the defined benefit plans	**(53,651)**	**290,818**
Income tax relating to items that will not be reclassified to profit or loss	**–**	**–**
	(53,651)	**290,818**
(b) Items that will be reclassified to profit or loss	**–**	**–**
Total	**(53,651**	*290,818*

A) OTEHR NOTES FORMING PART OF FINANCIAL STATEMENT

1) Corporate Information

Devihalli Hassan Tollway Limited (“the Company”) is a Special Purpose Vehicle (SPV) incorporated for the purpose of the four laning of Devihalli-Hassan section from KM 110 to KM 189.50 of NH-48 including a new two lane with paved shoulder bypass for Channarayapatna town and widening of existing Hassan bypass to two lane with paved shoulder on Design, Build, Finance, Operate and Transfer (DBFOT) basis in the State of Karnataka under National Highways Development Programme (NHDP) Phase III A under the Concession Agreement dated June 17, 2010. The concession period is for 30 years, which includes the construction period commencing from December 14, 2010. The Company had changed its name from L&T Devihalli Hassan Tollway Limited to Devihalli Hassan Tollway Limited wef 06th Oct 2016.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

2) 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 ₹ 7,62,920/- (previous year :₹ 7,63,370/-), being the contribution to provident fund is recognised as employee benefit expense during the year. Out of the above, ₹ 7,62,920/- (previous year : ₹ 6,04,268/-) is charged to the Statement of Profit and loss and nothing (previous year: ₹ 159,102/-) is included in Pre-operative expenses pending allocation.

(ii) Defined benefit plans:

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

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

Particulars	**Gratuity plan**	
	As at 31.03.2017	*As at 31.03.2016*
	₹	₹
A) Present value of defined benefit obligation		
- Wholly funded	**1,253,764**	–
- Wholly unfunded	**–**	*918,469*
	1,253,764	*918,469*
Less : Fair value of plan assets	**1,154,636**	–
Amount to be recognised as liability or (asset)	**99,128**	*918,469*
B) Amounts reflected in the Balance Sheet		
Liabilities	**99,128**	*918,469*
Assets	**–**	–
Net Liability / (asset)	**99,128**	918,469
Amounts reflected in the Balance Sheet		
Net (Asset) / Liability - Current	99,128	61,661
Net (Asset) / Liability - Non - Current	–	856,808

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

Particulars	**Gratuity plan**	
	As at 31.03.2017	*As at 31.03.2016*
	₹	₹
Opening balance of the present value of defined benefit obligation	**918,469**	*920,535*
Add: Current service cost	**386,288**	*211,600*
Add: Interest cost	**68,792**	*77,152*
Add/(less): Actuarial losses/(gains)	**20,854**	*(290,818)*
Less: Benefits paid	**140,639**	
Add: Past service cost	**–**	–
Closing balance of the present value of defined benefit obligation	**1,253,764**	*918,469*

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

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

Particulars		Gratuity plan	
		As at 31.03.2017	*As at 31.03.2016*
		₹	₹
1	Current service cost	**386,288**	*211,600*
2	Net interest cost	**21,549**	*77,152*
3	Actuarial losses/(gains)		
	From changes in demographic assumptions	**–**	*(46,746)*
	From changes in financial assumptions	**67,155**	*(127,613)*
	due to experience adjustments	**(46,301)**	*(116,459)*
4	Return on plan assets excluding amounts included in interest income	**32,797**	*–*
	Total (1 to 4)	**461,488**	*(2,066)*
I	Amount included in "employee benefit expenses"	**407,837**	*288,752*
II	Amount included as part of 'Other Comprehensive Income'	**53,651**	*(290,818)*
	Total (I + II)	**461,488**	*(2,066)*
	Actual return on plan assets	**14,446**	*NA*

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

Particulars	Gratuity plan	
	As at 31.03.2017	*As at 31.03.2016*
	₹	₹
Opening balance of plan assets		
Add: Interest inccome	**47,243**	–
Add: Contribution by plan participants		
i) Employer	**1,280,829**	–
ii) Employee		
Add/(less): Return on plan assets excluding amounts included in	**(32,797)**	–
interest income		
Less: Benefits paid	**(140,639)**	–
Closing balance of the present value of defined benefit obligation	**1,154,636**	–

f) Principal actuarial assumptions at the Balance Sheet date:

Particulars		**As at 31.03.2017**	*As at 31.03.2016*
1)	Discount rate	**6.95%**	*7.75%*
2)	Salary growth rate	**6.00%**	*6.00%*
3)	Attrition rate	**3% - 15%**	*3% - 15%*
4)	Expected rate of return	**6.95%**	*NA*
5)	Mortality rates	Indian Assured Lives Mortality (2006-08) Table	

g) The major categories of plan assets of the fair value of the total 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%**	–	–
Total	**100%**	–	–

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

h) Maturity analysis of expected benefit payments

Particulars	Cashflows	%
	₹	
2018	79,106	3.70%
2019	93,512	4.30%
2020	95,107	4.40%
2021	98,983	4.60%
2022	98,194	4.50%
2023-2027	528,932	24.50%

The future accrual is not considered in arriving at the above cash flows

i) Sensitivity analysis

Particulars		As at March 31, 2017	
		Change	**Obligation**
i)	Discount rate	**+0.5%**	**1,052,658**
		-0.5%	**1,141,335**
ii)	Salary growth rate	**+0.5%**	**1,141,534**
		-0.5%	**1,052,090**

j) Major risks to the plan

(i) Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to adverse salary growth experience, variability in mortality rates or variability in withdrawal rates.

(ii) 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 independednt 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.

(iii) Liquidity Risk:

Empllyees with high salaries and long duration or those highter in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company there can be strain on the cashflows.

(iv) 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 discountrate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctations in the yields as at the valuation date.

(v) 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 affet 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.

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

Borrowing cost capitalised during the year is NIL (previous year ₹ 1,26,62,073/-)

4) 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 Design, Build, Finance, Operate and Transfer (DBFOT) basis, which is the Company’s only reporting segment. Further, the entire operations of the Company are only in India. Hence, disclosure of secondary / geographical segment information does not arise.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

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

a) **List of related parties**

Holding Company	L&T Infrastructure Development Projects Limited
Company exercising significant influence	Larsen & Toubro Limited
Fellow Subsidiaries :	L&T Chennai Tada Tollway Limited
	L&T Ahmedabad Maliya Tollway Limited
	L&T Deccan Tollway Limited
	PNG Tollways Limited
	Kudgi Transmission Limited
	L&T Krishnagiri Thopur Toll Road Limited
	L&T General Insurance Company Limited
Key Managerial Personnel: Manager	Mr. Subhasish Kundu

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

Particulars		2016-17	2015-16
		₹	₹
1)	**Purchase of goods and services**		
	• Larsen & Toubro Limited	2,244,094	4,993,318
	• L&T Infrastructure Development Projects Limited	23,107,562	21,996,820
2)	**Reimbursement of expenses to**		
	• Larsen & Toubro Limited	**1,820,083**	*1,951,949*
	• L&T Infrastructure Development Projects Limited	**108,842**	*16,529,304*
	• L&T Chennai - Tada Tollway Limited	**132,742**	–
	• L&T Ahmedabad Mallya Tollway Limited	**2,702**	–
	• L&T Krishnagiri Thopur Toll Road Limited	**100,000**	–
3)	**Reimbursement of expenses from**		
	• Larsen & Toubro Limited	**5,625**	*129,700,000*
	• L&T Infrastructure Development Projects Limited	**265,020**	*167,082*
	• Kudgi Transmission Limited	**74,866**	–
4)	**Short term unsecured loan received**		
	• L&T Infrastructure Development Projects Limited	**30,000,000**	*217,500,000*
5)	**Short term unsecured loan paid**		
	• L&T Infrastructure Development Projects Limited	**97,023,662**	*422,476,338*
6)	**Interest expense on unsecured loan**		
	• L&T Infrastructure Development Projects Limited	**7,232,585**	*30,094,699*
7)	**Receipt of refundable deposit received for directors' nomination**		
	• L&T Infrastructure Development Projects Limited	**200,000**	*100,000*
8)	**Insurance premium payment**		
	• L&T General Insurance Company Limited	**–**	*1,634,987*
9)	**Purchase of fixed assets**		
	• PNG Tollways Limited	**4,765,153**	–
	• L&T Chennai - Tada Tollway Limited	**377,017**	–
	• L&T Deccan Tollway Limited	**44,727**	–

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

c) Key management personnel compensation

Particulars		**2016-17**	*2015-16*
		₹	₹
1)	Short-term employee benefits		
	• Mr. Subhasish Kundu	1,286,604	1,016,129
2)	Post-employment benefit		
	• Mr. Subhasish Kundu	97,908	63,560

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

(Amount in ₹)

Particulars	**As at March 31, 2017**	*As at March 31, 2016*
	Due (to)/from	*Due (to)/from*
Holding Company		
L&T Infrastructure Development Projects Limited	**(130,722,937)**	*(205,431,805)*
Ultimate Holding Company		
Larsen and Toubro Limited	**(4,187,745)**	*109,264,882*
Fellow subsidiaries		
L&T Chennai - Tada Tollway Limited	**(509,759)**	–

e) 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 Company 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.

f) No amount of due from related parties has been written off during the year (Previous year ₹ Nil). No amount due to related parties has been written back during the year (Previous year ₹ nil). For the year ended March 31, 2017, the company has not recorded any impairment of receivables relating to amounts owned by related parties (March 31, 2016 : ₹ Nil, April 1, 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. No expense has been recognized in the current year or prior years for bad or doubtful debts in respect of the amounts owed by the related parties.

g) Guarantees given to / received from related parties

L&T Infrastructure development projects Ltd, the Holding Company, has given gurantee towards debt service reserve requirements for ₹ 6,82,00,000/- to ICICI Bank. This is in lieu if the Debt Service Reserve Account Requirement, which is three months interest and principle due.

h) Commitments with related parties

There are no commitments with related parties as at 31 March 2017 (31 March 2016: Nil, 31 March 2015: Nil)

6 Disclosure pursuant to Ind AS 12 "Income taxes"

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

Particulars	**2016-17**	*2015-16*
	₹	₹
1) Income tax recognized in profit or loss		
(i) Current tax :		
Current income tax charge	**–**	–
Adjustment in respect of previous years [Refer note (b) below]	**–**	*202,864*
(ii) Deferred tax :		
Relating to origination and reversal of temporary differences	**–**	–
2) Income tax recognized in other comprehensive income	**–**	–
3) Income tax directly recognized in equity	**–**	–
	–	*202,864*

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

(b) The Company does not have any taxable profit for the current year and the previous year and hence reconciliation of tax expense to the accounting profit is not applicable. Adjustment in respect of previous years represent the tax expense recognized based on completed assessments pertaining to earlier years.

(c) Major components of deferred tax liabilities and assets

(i) Deferred tax assets and liabilities recognized in the Balance Sheet

Particulars	**As at March 31, 2017**	*As at March 31, 2016*	*As at April 01, 2015*
	₹	₹	₹
Deferred tax liabilities			
(a) Property, plant and equipment and other intangible assets	**699,237,074**	*569,199,539*	*343,041,522*
Deferred tax liabilities - A	**699,237,074**	*569,199,539*	*343,041,522*
Deferred tax assets			
(a) Unabsorbed depreciation realisable on reversal of the above deferred tax liabilities	**699,237,074**	*569,199,539*	*343,041,522*
Deferred tax liabilities - B	**699,237,074**	*569,199,539*	*343,041,522*
Net deferred tax assets /(liabilities) [A - B]	**–**	–	–

Refer note 7(e) for movement in deferred tax

(ii) Deferred tax assets not recognized in the Balance Sheet

Particulars	**As at March 31, 2017**	*As at March 31, 2016*	*As at April 01, 2015*
	₹	₹	₹
Deferred tax assets			
(a) Unabsorbed depreciation other than those specified in table above	**45,936,858**	*7,444,266*	*18,991,453*
(b) Provision for gratuity and compensated absences	**473,877**	*722,097*	*94,051*
(c) Unused tax lossed (Business loss carried forward)	**69,191,805**	*69,390,374*	*39,780,341*
(d) Other items	**–**	–	*75,583*
Deferred tax assets not recognized in Balance Sheet	**115,602,540**	*77,556,736*	*58,941,428*

(iii) Deferred tax asset on Property plant and equipment and other intangible assets have been recognized to the extent the same can be set off against deferred tax liability arising on timing difference between book depreciation and depreciation as per the Income-tax Act, 1961.

(iv) The Company is eligible to claim deduction under section 80IA of the Income Tax Act 1961 and the management expects the above deferred tax assets to get reversed/lapsed within the tax holiday period. Hence these deferred tax assets are not recognized in the Balance Sheet.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

(d) Amount of deductible temperory difference and unused tax credits for which deferred tax asset is not recognized

	Particulars	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
		Amount (₹)	Deferred tax (₹)	Expiry date	Amount (₹)	Deferred tax (₹)	Expiry date	Base amount	Deferred tax	Expiry date
1)	Unused tax lossed (Business loss carried forward)									
	AY 2016 - 17	81,971,230	28,368,603	AY 2024- 25	82,544,996	28,567,172	AY 2024- 25	–	–	
	AY 2015 - 16	106,685,356	36,921,668	AY 2023 - 24	106,685,356	36,921,668	AY 2023 - 24	103,672,006	35,878,808	AY 2023 - 24
	AY 2014 - 15	11,273,502	3,901,534	AY 2022- 23	11,273,502	3,901,534	AY 2022- 23	11,273,502	3,901,534	AY 2022- 23
		199,930,088	69,191,805		200,503,854	69,390,374		114,945,508	39,780,341	
2)	Unabsorbed depreciation to the extent not recognized	132,734,797	45,936,858	No time limit	124,399,798	43,052,282	No time limit	44,346,790	15,347,537	No time limit
3)	Provision for gratuity and compensated absences	1,369,272	473,878	No time limit	2,086,502	722,097	No time limit	271,761	94,051	No time limit
4)	Other items giving rise to temperory differences	–	–	–	–	–	–	218,397	75,583	No time limit

(e) Movement in deferred tax

Particulars		As at April 01, 2015	Movement in 2015-16			As at March 31, 2016	Movement in 2016-17			As at March 31, 2017
			Recognized in profit or loss	Recognized in OCI	Recognized directly in equity		Recognized in profit or loss	Recognized in OCI	Recognized directly in equity	
		₹	₹	₹	₹	₹	₹	₹	₹	₹
Deferred tax liabilities										
(a)	Property, plant and equipment and other intangible assets	343,041,522	226,158,017	–	–	569,199,539	130,037,535	–	–	699,237,074
	Total - A	343,041,522	226,158,017	–	–	569,199,539	130,037,535	–	–	699,237,074
Deferred tax assets										
(a)	Unabsorbed depreciation realisable on reversal of the above deferred tax liabilities	343,041,522	226,158,017	–	–	569,199,539	130,037,535	–	–	699,237,074
	Toal - B	343,041,522	226,158,017	–	–	569,199,539	130,037,535	–	–	699,237,074
Net deferred tax recognized		–	–	–	–	–	–	–	–	–

7 Disclosure pursuant to Ind AS 33 "Earnings per share"

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

Particulars		2016-17	2015-16
		₹	₹
Earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	(35,164,620)	(115,003,876)
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	90,000,000	90,000,000
Basic and diluted earnings per equity share (₹)	A / B	(0.39)	(1.28)
Face value per equity share (₹)		10.00	10.00

8 Disclosure pursuant to Ind AS 36 "Impairment of Assets"

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

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

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

As per industry practice, the periodic maintenance is expected to occur after 5-7 years. The maintenance cost / bituminous overlay may vary based on the actual usage during maintenance period. Accordingly on the grounds of matching cost concept and based on technical estimates, a provision for major maintenance expenses is reviewed and is provided for in the accounts annually.

Considering that the expense to be incurred is depended on various factors including the usage, wear and tear of the highway, bituminous overlay, etc, it is not possible to estimate the exact timing and the quantum of the cashflow. However the management estimates to incurr major portion of the expenditure during 2020-21. The management does not expect any re-imbursement towards the expenses to be incurred.

b) Movement in provisions - Provisiom for Major Maintenance:

Particulars	**2016-17**	*2015-16*
	₹	₹
Carrying amount as at the beginning of the year	**103,598,834**	*62,882,126*
Additional provision	**62,073,577**	*34,017,491*
Increase in discounted amount due to passage of time and changes in discount rate	**10,063,492**	*6,699,217*
Carrying amount as at the end of the year	**175,735,903**	*103,598,834*

10 Details of Specified Bank Notes (SBN) held and transacted during the period 08 November 2016 to 30 December 2016

Particulars	**SBNs**	**Other denomination notes**	**Total**
Closing cash in hand as on 08.11.2016	1,352,000	681,243	2,033,243
(+) Permitted receipts	2,470,000	31,110,098	33,580,098
(-) Permitted payments	–	109,210	109,210
(-) Amount deposited in Banks	3,822,000	28,461,318	32,283,318
Closing cash in hand as on 30.12.2016	**–**	**3,220,813**	**3,220,813**

The amount disclosed as 'permitted receipts' in other than SBNs denote the net income to the company from toll collection through cash mode. Irrespective of the denomination in which the amount is received and amount which was returned as change to the users, the amount disclosed will contain only the net amount accounted by the company as toll collected through cash.

11 NHAI has suspended toll collection during the period 9 November 2016 to 2 December 2016 (23.29 days) due to demonetisation. This being a force majeure event, the Company is eligible for compensation of the force majeure costs (as per Clause 34.7.2 of the Concession Agreement) and has claimed force majeure costs of ₹ 24,953,007/- (interest of ₹ 13,994,042/- and O&M expenses of ₹ 10,958,955/-) with NHAI and netted off relevant expenditure as follows

Note Ref	**Presentation grouping**	**Amount (₹)**
Note 20	Repairs and maintenance - others	7180512
Note 21	Salaries, wages and bonus	2909809
Note 22	Interest on borrowings	13994042
Note 23	Miscellaneous expenses	868644
	Total	**24953007**

12) Disclosure pursuant to Ind AS 17 "Leases"

The Company has taken certain office premises and residential premises under cancellable operating lease. These agreements are normally renewed on expiry and there are no restrictions imposed by the lease arrangements. Lease rental expenses for the year is ₹ 4,56,080/- (previous year: ₹ 4,01,400/-). Out of the above, ₹ 4,56,080/- (previous year: ₹ 270,262/-) is charged to the Statement of Profit and Loss and ₹ NIL (previous year: ₹ 1,31,138/-) is included in Pre-operative expenses pending allocation.

Contingent rent recognised in the statement of profit and loss for the year is ₹ NIL (previous year ₹ NIL).

The Company has not taken any asset on finance lease.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

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

For the purpose of the company's capital management, the capital is the issued equity capital. The primary objective of the company's capital management is to maximise shareholder value.

14 The financial statements were approved for issue by the board of directors on 27 April 2017.

15 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										
Investments	4	23,692,598	–	–	18,131,724	–	–	–	–	–
Cash and cash equivalents	5	–	–	10,197,322	–	–	11,421,010	–	–	14,049,963
Security Deposits	6	–	–	948,930	–	–	917,095	–	–	833,335
Other Current Financial Asset	6	–	–	17,525,422	–	–	8,056,228	–	–	8,966,899
Total Financial Asset		23,692,598	–	28,671,674	18,131,724	–	20,394,333	–	–	23,850,197
Financial liability										
Debentures	11	–	–	1,598,826,970	–	–	1,600,000,000	–	–	–
Term loans from banks	11			1,064,411,088			1,065,263,308			2,227,366,573
Loans from related parties	11	–	–	123,279,070	–	–	188,833,052	–	–	402,391,512
Trade Payables	12	–	–	23,612,262	–	–	27,970,688	–	–	18,160,728
Capital creditors	13			37,361,198			85,760,207			47,607,681
Dues to related parties	13			4,697,504			3,381,378			17,386,065
Other financial Liabilities	13			41,886,760			37,210,215			30,029,072
Total Financial Liabilities		–	–	2,894,074,852	–	–	3,008,418,848	–	–	2,742,941,631

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.

16 Fair value measurement

a) Fair value of Financial asset and liabilties at amortized cost

Particulars	Note no.	31.03.2017		31.03.2016		01.04.2015	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets							
Security Deposits	6	948,930	948,930	917,095	917,095	833,335	833,335
Total Financial Assets		948,930	948,930	917,095	917,095	833,335	833,335
Financial liability							
Debentures	11	1,598,826,970	1,598,826,970	1,600,000,000	1,600,000,000	–	–
Term loans from banks	11	1,064,411,088	1,064,411,088	1,065,263,308	1,065,263,308	2,227,366,573	2,227,366,573
Loans from related parties	11	123,279,070	123,279,070	188,833,052	188,833,052	402,391,512	402,391,512
Total Financial Liabilities		2,786,517,128	2,786,517,128	2,854,096,360	2,854,096,360	2,629,758,085	2,629,758,085

The carrying amount of current financial assets and current trade payables and other financial liabilities 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.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

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

Refer Note A(17) for information on Financial Asset pledged as security

b) Fair value hierarchy

As at March 31, 2017

Financial Asset & Liabilites Measured at FV - Recurring FVM	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL					
Investments in Mutual Funds	4	23,692,598	–	–	23,692,598
Total of Financial Assets		**23,692,598**	**–**	**–**	**23,692,598**
Financial Liabilities measured at FVTPL	–	–	–	–	
Total of Financial Liabilities	**–**	**–**	**–**	**–**	
Financial Asset & Liabilites Measured at Amortized cost for which fair values are to be disclosed	**Note No.**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Security Deposits	6	–	948,930	–	948,930
Total of Financial Assets		**–**	**948,930**	**–**	**948,930**
Financial Liabilities					
Debentures	11	–	1,598,826,970	–	1,598,826,970
Term Loans from Banks	11		1,064,411,088		1,064,411,088
Loans from related parties	11	–	123,279,070	–	123,279,070
Total Financial liabilties		**–**	**2,786,517,128**	**–**	**2,786,517,128**

As at March 31, 2016

Financial Asset & Liabilites Measured at FV - Recurring FVM	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL					
Investments in Mutual Funds	4	18,131,724	–	–	18,131,724
Total of Financial Assets		**18,131,724**	**–**	**–**	**18,131,724**
Financial Liabilitieis measured at FVTPL		–	–	–	–
Total of Financial Liabilities		**–**	**–**	**–**	**–**
Financial Asset & Liabilites Measured at Amortized cost for which fair values are to be disclosed	**Note No.**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Security Deposits	6	–	917,095	–	917,095
Total Financial Assets		**–**	**917,095**	**–**	**917,095**
Financial Liabilities					
Debentures	11	–	1,600,000,000	–	1,600,000,000
Term Loans from Banks	11	–	1,065,263,308	–	1,065,263,308
Loans from related parties	11	–	188,833,052	–	188,833,052
Total Financial Liabilities		**–**	**2,854,096,360**	**–**	**2,854,096,360**

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

As at April 1, 2015

Financial Asset & Liabilites Measured at FV - Recurring FVM	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL					
Investments in Mutual Funds	4	–	–	–	–
Total of Financial Assets		–	–	–	–
Financial Liabilitieis measured at FVTPL		–	–	–	–
Total of Financial Liabilities		–	–	–	–
Financial Asset & Liabilites Measured at Amortized cost for which fair values are to be disclosed	**Note No.**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Security Deposits	3	–	833,335	–	833,335
Total of Financial Assets		**–**	**833,335**	**–**	**833,335**
Financial Liabilities					
Debentures	11	–	–	–	-
Term Loans from Banks	11	–	2,227,366,573		2,227,366,573
Loans from related parties	11	–	402,391,512	–	402,391,512
Total of Financial Liabilities		**–**	**2,629,758,085**	**–**	**2,629,758,085**

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		
Debentures		
Term Loan from Banks	Income	Current Bank Rate
Loans from Related parties	Income	Current Bank Rate

17 Asset pledged as security

The carrying value of assets pledged as security towards term loans from banks / debentures (Amount in ₹)

Particulars	Note no	31.03.2017	31.03.2016	01.04.2015
Property, Plant & Equipment	1	**18,319,579**	*12,140,141*	*13,890,098*
Intangible assets	2	**66,985**	*468,897*	*870,809*
Capital work in progress		**1,777,637**	–	–
Intangible asset	2			
Intangible asset under development	3			
Investments	4	**23,692,598**	*18,131,724*	–
Cash and Cash Equivalents	5	**10,197,322**	*11,421,010*	*14,049,963*
Other Financial Asset	6	**18,474,352**	*8,973,323*	*9,800,234*
Financial Asset				
Other receivables	8	**662,201**	*112,671,119*	*4,983*
Total		**73,190,674**	*163,806,214*	*38,616,087*

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (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.

a. 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's exposure to foreign currency dues is as follows:

Particulars	**As at March 31, 2017**	*As at March 31, 2016*	*As at April 01, 2015*
Foreign currency exposure (Euro)	**87,595.50**	*87,595.50*	*116,794.00*

Sensitivity analysis

	Impact on profit/ loss after tax	
	FY 2016-17	*FY 2015-16*
Increase or decrease in Foreign Currency rates by 0.5 basis points	**43,798**	*43,798*

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

b. 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, borrowings from commercial banks is at variable rate , 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 March 31, 2017**	*As at March 31, 2016*	*As at April 01, 2015*
Term loans from banks	**1,064,411,088**	*1,065,263,308*	*2,227,366,573*

Sensitivity analysis based on average outstanding Senior Debt

Interest Rate Risk Analysis	**Impact on profit/ loss after tax**	
	FY 2016-17	*FY 2015-16*
Increase or decrease in interest rate by by 25 basis point	**2,662,093**	*4,115,787*

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

c. 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.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

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

Particulars	Note No.	**As at March 31, 2017**	*As at March 31, 2016*	*As at April 01, 2015*
Investments in Mutual Funds	4	**23,692,598**	*18,131,724*	–

Sensitivity Analysis

	Impact on profit/ loss after tax	
	FY 2016-17	*FY 2015-16*
Increase or decrease in NAV by 2%	**473,852**	*362,634*

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

d. 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 and their respective carrying amount

(Amount in ₹)

As at March 31, 2017	**Upto 1 year**	**1 - 2 years**	**2 - 5 years**	**> 5 years**	**Total**	**Carrying Amount**
Non Derivative Financial Liability						
Term loans from Banks	**1,072,844**	**1,072,844**	**3,218,532**	**1,066,408,754**	**1,071,772,974**	**1,064,411,088**
Debentures	**2,026,970**	**1,600,000**	**4,800,000**	**1,590,400,000**	**1,598,826,970**	**1,598,826,970**
Loans from related parties repayable on demand	**123,279,070**	–	–	–	**123,279,070**	**123,279,070**
Trade Payables	**23,612,262**	–	–	–	**23,612,262**	**23,612,262**
Other financial liabilities	**83,945,462**	–	–	–	**83,945,462**	**83,945,462**
Derivative Financial Liability	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

As at March 31, 2016	*Upto 1 year*	*1 - 2 years*	*2 - 5 years*	*> 5 years*	*Total*	*Carrying Amount*
Non Derivative Financial Liability						
Term loans from Banks	*1,072,844*	*1,072,844*	*3,218,532*	*1,067,481,598*	*1,072,845,818*	*1,065,263,308*
Debentures	*1,600,000*	*1,600,000*	*4,800,000*	*1,592,000,000*	*1,600,000,000*	*1,600,000,000*
Loans from related parties repayable on demand	*188,833,052*	–	–	–	*188,833,052*	*188,833,052*
Trade Payables	*27,970,688*	–	–	–	*27,970,688*	*27,970,688*
Other financial liabilities	*126,351,800*	–	–	–	*126,351,800*	*126,351,800*
Derivative Financial Liability	*NIL*	*NIL*	*NIL*	*NIL*	*NIL*	*NIL*

As at April 01, 2015	*Upto 1 year*	*1 - 2 years*	*2 - 5 years*	*> 5 years*	*Total*	*Carrying Amount*
Non Derivative Financial Liability						
Term loans from Banks	*40,276,000*	*78,512,000*	*391,760,000*	*1,722,898,000*	*2,233,446,000*	*2,227,366,573*
Loans from related parties repayable on demand	*402,391,512*	–	–	–	*402,391,512*	*402,391,512*
Trade Payables	*18,160,728*	–	–	–	*18,160,728*	*18,160,728*
Other financial liabilities	*95,022,818*	–	–	–	*95,022,818*	*95,022,818*
Derivative Financial Liability	*NIL*	*NIL*	*NIL*	*NIL*	*NIL*	*NIL*

e. 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.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

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

(a) Description and classification of the arrangment

Devihalli Hassan Tollway Limited ("the Company") is a Special Purpose Vehicle (SPV) incorporated for the purpose of the four laning of Devihalli-Hassan section from KM 110 to KM 189.50 of NH-48 including a new two lane with paved shoulder bypass for Channarayapatna town and widening of existing Hassan bypass to two lane with paved shoulder on Design, Build, Finance, Operate and Transfer (DBFOT) basis in the State of Karnataka under National Highways Development Programme (NHDP) Phase III A under the Concession Agreement dated June 17, 2010. In terms of clause 14.3.2 of the aforesaid agreement, the Company had obtained approval for operating part of the project highway of 59.70 Kms and 14.652 Kms on November 14, 2013 and December 05, 2014 respectively. The company had further obtained approval for 2.976 Kms vide letter dated October 6, 2015 from NHAI.

The concession period is for 30 years, which includes the construction period commencing from December 14, 2010. The Concession Agreement provides a right to the Company to charge users of the highway and accordingly the Company has recognized the intangile asset 'Toll collection rights'.

(b) Significant Terms of the arrangements

(i) Revision of Fees:

Fees shall be revised annually on April 01 subject to the provisions Article 27 of the Concession Agreement.

(ii) Rights of the Company for use Project Highway

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

(iii) Obligation of the Company

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

The company is under obligation to carry out the routine and periodic maitenance of Project Highway as per Article 17 read with Schedule K of the CA.

(iv) 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.

(v) Details of Termination

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

(vi) Changes in arrangements occuring during the period

Druing the current year, the Company has recorded an extension of 47 days [Refer Note 2(b)] and 23.29 days [Refer Note 2(b)] in the period of toll collection rights.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

20 Notes on First time adoption of Ind AS

a) Reconcilation of equity as at April 01, 2015 and as at March 31, 2016

Particulars	Note	As at April 01, 2015			As at March 31, 2016		
		Indian GAAP*	Adjustments	Ind AS	Indian GAAP*	Adjustments	Ind AS
		₹	₹	₹	₹	₹	₹
ASSETS							
Non-current assets							
a) Property, plant and equipment		13,890,098		13,890,098	12,140,141	–	12,140,141
b) Capital work-in-progress		–		–	–	–	–
c) Intangible assets	(e),(g),(i)	5,146,846,802	(1,633,153,733)	3,513,693,069	5,322,073,228	(1,762,797,771)	3,559,275,457
d) Intangible assets under development	(g)	196,143,873	(158,900,564)	37,243,309	56,946,779		56,946,779
e) Financial assets					–		–
i) Loans		733,335		733,335	817,095		817,095
f) Other non-current assets	(e)	–		–	7,123,365	(7,123,365)	–
		5,357,614,108	(1,792,054,297)	3,565,559,811	5,399,100,608	(1,769,921,136)	3,629,179,472
Current assets							
a) Financial assets		–			–	–	
i) Investments	(h)	–		–	17,981,338	150,386	18,131,724
ii) Cash and bank balances		14,049,963		14,049,963	11,421,010	–	11,421,010
iii) Other financial assets		9,066,899		9,066,899	8,156,228	–	8,156,228
b) Current tax assets (net)		2,414,934		2,414,934	590,134	–	590,134
c) Other current assets	(e)	11,718,900		11,718,900	124,929,705	(395,743)	124,533,962
		37,250,696	–	37,250,696	163,078,415	(245,357)	162,833,058
TOTAL		5,394,864,804	(1,792,054,297)	3,602,810,507	5,562,179,023	(1,770,166,493)	3,792,012,530
EQUITY AND LIABILITIES							
EQUITY							
a) Equity share capital		900,000,000		900,000,000	900,000,000	–	900,000,000
b) Other equity	(c)	1,632,911,750	(1,742,676,689)	(109,764,939)	1,486,346,820	(1,710,824,817)	(224,477,997)
		2,532,911,750	(1,742,676,689)	790,235,061	2,386,346,820	(1,710,824,817)	675,522,003
LIABILITIES							
Non-current liabilities							
a) Financial liabilities							
i) Borrowings	(e)	2,195,009,798	(7,919,225)	2,187,090,573	2,670,172,974	(7,582,510)	2,662,590,464
b) Provisions	(f)	105,822,082	(41,458,383)	64,363,699	157,785,658	(51,759,166)	106,026,492
		2,300,831,880	(49,377,608)	2,251,454,272	2,827,958,632	(59,341,676)	2,768,616,956
Current liabilities							
a) Financial liabilities							
i) Borrowings		402,391,512		402,391,512	188,833,052		188,833,052
ii) Trade payables		18,160,728		18,160,728	27,970,688		27,970,688
iii) Other financial liabilities		135,298,818		135,298,818	129,024,644		129,024,644
b) Other current liabilities		5,099,201		5,099,201	1,853,944		1,853,944
c) Provisions		170,915		170,915	191,243	–	191,243
		561,121,174	–	561,121,174	347,873,571	–	347,873,571
Total Equity and Liabilities		5,394,864,804	(1,792,054,297)	3,602,810,507	5,562,179,023	(1,770,166,493)	3,792,012,530

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

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

(b) Reconciliation of statement of profit and loss for the year ended 31 March 2016

Particulars	Note	Indian GAAP*	Adjustments	Ind AS
		₹	₹	₹
REVENUE				
Revenue from operations		376,806,232		376,806,232
Construction contract revenue		–	106,205,854	106,205,854
Other income	(h)	416,054	150,386	566,440
Total income		377,222,286	106,356,240	483,578,526
EXPENSES				
Construction contract expenses		–	106,205,854	106,205,854
Operating expenses	(f)	108,547,296	(17,000,000)	91,547,296
Employee benefit expense	(j)	13,579,062	290,817	13,869,879
Finance costs	(e),(f)	304,161,877	4,672,162	308,834,039
Depreciation, amortisation and obsolescence	(i)	63,817,070	(19,373,647)	44,443,423
Administration and other expenses		33,479,047	–	33,479,047
Total expenses		523,584,352	74,795,186	598,379,538
Loss before tax		(146,362,066)		(114,801,012)
Tax Expense:				
Adjustment of tax relating to earlier periods		202,864		202,864
Current tax		–		–
Deferred tax		–		–
		202,864		202,864
Loss for the year		(146,564,930)		(115,003,876)
Other comprehensive income:				
i) Items that will not be reclassified to profit or loss (net of tax)	(j)			290,818
ii) Items that will be reclassified to profit or loss (net of tax)				
Total comprehensive income for the year		(146,564,930)		(114,713,058)

(c) Reconciliation of total equity as at 31 March 2016 and as at 1 April 2015

Particulars	Note	*As at March 31, 2016*	*As at April 1, 2015*
		₹	₹
Total Equity under previous GAAP		*2,386,346,820*	*2,532,911,750*
1) Measurement of borrowings at amortized cost	(e)	*63,402*	*(1,963,654)*
2) Discounting of provision for periodic major maintenance	(f)	*58,458,383*	*41,458,383*
3) Amortization of toll collection rights due to change in the carrying value of toll collection rights	(i)	*37,202,229*	*17,828,582*
4) Grant received from NHAI	(g)	*(1,800,000,000)*	*(1,800,000,000)*
5) Fair valuation of investments under Ind AS	(h)	*150,386*	–
6) Unwinding of discount on provisions	(f)	*(6,699,217)*	–
Total adjustments to equity		*(1,710,824,817)*	*(1,742,676,689)*
Total equity under Ind AS		*675,522,003*	*790,235,061*

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

(d) Reconciliation of total comprehensive income for the year ended 31 March 2016

Particulars	Note	2015-16	
		₹	₹
Loss as per previous GAAP			(146,564,930)
1) Fair valuation of investments under Ind AS	(h)	150,386	
2) Recognition of finance cost under effective interest method (including impact of amortization of upfront fees under previous GAAP)	(e)	2,027,056	
3) Discounting of provision for periodic major maintenance	(f)	17,000,000	
4) Unwinding of discount on provisions	(f)	(6,699,217)	
5) Amortization of toll collection rights on account of change in the carrying value of toll collection rights	(i)	19,373,647	
6) Remeasurements of defined benefit obligation recognized in other comprehensive income under Ind AS	(j)	(290,817)	
Total effect of Transition to Ind AS			31,561,055
Loss for the year as per Ind AS			(115,003,875)
Other comprehensive income for the year			290,817
Total Comprehensive income under Ind AS			(114,713,058)

(e) Borrowings and interest on borrowing

Under previous GAAP, transaction costs incurred in connection with borrowings are amortised over the tenor of the loan. The Company has capitalized upfront fees (transaction cost) of ₹ 98,82,880/- as part of toll collection rights under previous GAAP. As per Ind AS 109, borrowings are subsequently measured at amortized cost and the transaction costs incurred are considered in the computation of amortized cost. Accordingly the upfront fees of ₹ 98,82,880/- is reduced from toll collection rights and the amortized cost of borrowings as at 1 April 2015 is computed. The carrying value of borrowings is reduced by ₹ 79,19,225/- as at 01 April 2015 (after netting interest accrued) and equity is reduced by ₹ 19,63,654/- on account of this adjustment.

The unamortized upfront fees of ₹ 75,19,108/- as at 31 March 2016 under previous GAAP is derecognized under Ind AS and is appropriately considered in the computation of amortized cost of the borrowings as at 31 March 2016. The upfron fees amortized during the year 2015-16 under previous GAAP amounting to ₹ 19,63,654/- is reversed under Ind AS.

Further under previous GAAP interest is charged at the rate applicable to the borrowing as agreed with the lender whereas under Ind AS interest on borrowings is to be computed at the effective interest rate (EIR). The finance cost for the year 2015-16 is lower by ₹ 63,402/- under Ind AS on account of this adjustment and the carrying amount of borrowings is reduced by ₹ 75,82,510/- on account of measuring the borrowing as amortized cost as at 31 March 2016.

On account of the above adjustments there is a decrease in equity by ₹ 19,63,654/- as at 1 April 2015 and ₹ 63,402/- as at 31 March 2016 and the decline in loss for the year 2015-16 by ₹ 20,27,056/-.

(f) 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. Ind AS 37 requires provisions to be discounted to its present value if the time value of money is material.

Accordingly provision for periodic major maintenance is recognized at the present value of the expenditure expected to be required to settle the obligation. The provision for periodic major maintenance under Ind AS is lower by ₹ 4,14,58,383/- as at 1 April 2015.

Under Ind AS the discounted provision needs to be adjusted for the time value of money over the period of the provision and accordingly interest of ₹ 66,99,217/- is recognized for the year 2015-16. Further the impact of discounting the provision to present value is ₹ 1,70,00,000/- (credit to profit or loss) for the year ended 31 March 2016. The carrying value of provision under Ind AS as at 31 March 2016 is reduced by ₹ 5,17,59,166/-on account of the said adjustment.

On account of the above adjustments there is an increase in equity by ₹ 4,14,58,383/- as at 1 April 2015 and ₹ 5,17,59,166/- as at 31 March 2016 and the decline in loss for the year 2015-16 by ₹ 1,03,00,783/-."

(g) Grant received from NHAI

Under previous GAAP, grants received in the nature of Promoters' contribution from National Highways Authority of India (NHAI) / State authorities were accounted as "Capital reserve". The Company had received grant of ₹1,80,00,00,000/- from NHAI and the same was accounted as capital reserve. Under IndAS, such grants are recongised as a financial asset and are measured at the fair value of the consideration received / receivable and adjusted against the cost of toll collection rights.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

Accordingly the Company has adjusted ₹ 1,64,10,99,436/- against toll collection rights as at 1 April 2015 and ₹ 15,89,00,564/- against intangibles under development as at 1 April 2015.

(h) Current investments

Under previous 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. Under Ind AS, investments in mutual fund are categorised as Financial instruments at Fair Value Through Profit or Loss (FVTPL). These are subsequently measured at fair value at the reporting date and gain or loss on fair value measurement is recognized in profit or loss.

The Company has measured the investments in mutual funds as at 31 March 2016 at fair value and recognized a gain of ₹1,50,386/- in profit or loss for the financial year 2015-16. The equity and investment in mutual funds as at 31 March 2016 have increased by ₹1,50,386/- on account of this adjustment.

(i) Toll collection rights and amortizaion

The carrying amount of toll collection rights as per the previous GAAP has changed under Ind AS on account of the adjustments specified in Sl. No (i) and (iii) above. Accordingly there is a decrease in the amortization of toll collection rights by ₹ 1,78,28,582/- under Ind AS which is directly recognized in equity. Further the amortization for the year 2015-16 is lower by ₹ 1,93,73,647/- and is recognized in profit or loss for the year ended 31 March 2016.

On account of the above adjustments there is an increase in equity by ₹ 1,78,28,582/- as at 1 April 2015 and ₹ 3,72,02,229/- as at 31 March 2016 and the decline in loss for the year 2015-16 by ₹ 1,93,73,647/-.

(j) Remeasurements of defined benefit obligations

Under previous GAAP, actuarial gains and losses were recognized in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liabilitiy / asset which is recognized in other coprehensive income. The remeasurement gain on defined benefit obligations for the year 2015-16 is ₹ 2,90,818/-.

There is no change in the total equity on account of this, however, the loss for the year 2015-16 is higher by ₹ 2,90,818/-.

B. 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 financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.

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

These financial statements are the first financial statements of the Company under IndAS. The date of transition to Ind AS in April 1, 2015. Refer Note B(27) for the details of first-time adoption exemptions availed by the Company.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except cetain financial instrucments which are measured at fair value as explained in the accounting policies below.

(c) Use of estimates and judgements

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

(d) Measurement of fair values

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

- Level 2 inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2 PRESENTATION OF FINANCIAL STATEMENTS

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

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

3 REVENUE RECOGNITION

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

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

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

b) Claims with National Highways Authority of India ('NHAI').

- Claims with National Highways Authority of India ('NHAI') and other Government Authorities are accounted as and when the money is received from the respective Authority, in cases of monetary compensations.
- In cases where the claims are accepted by NHAI but the compensation is by way of extension of the concession period, such claims are recognized as other operating income on acceptance by the authority with corresponding increase in toll collection rights (TCR) capitalized in the books of account.
- In cases where the Company has a contractual right to an extension in the concession period as per the concession agreement, for any losses incurred by the Company, such claims are recognized as other operating income when the right for the compensation is established based on the facts and circumstances.

c) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest is accrued on time proportion basis, by reference to the principle outstanding at the effective interest rate.

d) Contract revenue for fixed price contracts is recognised only to the extent of cost incurred that it is probable will be recoverable till such time the outcome of the job cannot be ascertained reliably. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

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

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

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

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

e) Dividend income is recognised when the right to receive the same is established by the reporting date.

4 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;

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

(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.

5 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.

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

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

The estimated useful lives of the assets are as follows:

Category of Property, plant and equipment	**Estimated useful life (in years)**
Vehicles	
Motor cars	7
Office equipment	
Projector, Printers	4
Split AC and Window AC	4
Buildings that are of temporary in nature	1
Plant & Machinery	
DG Sets	12
Air Conditioning and refrigeration equipment	12
Lab Equipment	7

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.

6 INTANGIBLE ASSETS

a) Rights under Service Concession Arrangements

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

Toll Projects (Right to charge users)

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

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

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

Extension of concession period by the authority in compensation for claims made by the Company are capitalised as part of Toll Collection Rights on acceptance of the claim. Where the Company has a contractual right to an extension in the concession period as per the concession agreement, the same is capitalized when the right to extension in the conession peiod is established at the estimated amount of eligible claims.

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

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

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

b) Other intangible assets

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment. Intangible assets are recognized when it is probable that the 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 derecognised when no future economic benefits are expected from use or disposal.

c) Amortization

Toll collection rights in respect of road projects are amortized over the period of concession using the revenue based amortisation method prescribed under Schedule II to the Companies Act, 2013. Under the revenue based method, amortisation is provided based on proportion of actual revenue earned till the end of the year to the total projected revenue from the intangible asset expected to be earned over the concession period. Total projected revenue is reviewed at the end of each financial year and is adjusted to reflect the changes in earlier estimate vis-a-vis the actual revenue earned till the end of the year so that the whole of the cost of the intangible asset is amortised over the concession period. For transition to IndAS, the Company has availed the option to continue with the Revenue based amortisation method prescribed under Schedule II to the Companies Act, 2013 for toll collection rights recognised under service concession arrangements recognised for the period ending immediately before the beginning of the first IndAS reporting period as per the previous GAAP.

Specialized software is amortized over a period of three 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.

7 EXCEPTIONAL ITEMS

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

8 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

a) The functional currency of the Company is Indian Rupees

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

c) Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing rate are recognised as income or expense in the period in which they arise except

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

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

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

9 EMPLOYEE BENEFITS

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

(i) Short term employee benefits

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

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

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

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

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

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

(ii) Post employment benefits

(a) Defined contribution plans:

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

(b) Defined benefit plans:

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

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

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

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

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

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

(iii) Other long term employee benefits:

The present value of the obligation under long term employee benefit plans such as compensated absences and liability under Retnetion Pay Scheme is determined based on actuarial valuation using the Projected Unit Credit Method.

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.

Remeasurements, comprising actuarial gains and losses, the return on plan assets (excluding net interest) and any change in the effect of asset ceiling (wherever applicable) are recognized immediately in profit or loss.

Gains or losses on the curtailment or settlement of any long-term employee benefit plan are recognized when the curtailment or settlement occurs. Past service, cost is recognized as expense at the earlier of the plan amendment or curtailment and when the Company recognizes related restructuring costs or termination benefits.

(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.

10 BORROWING COSTS

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs. 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. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

11 SEGMENT REPORTING

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

Segment accounting policies are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. The identification of operating segments and reporting of amounts is consistent with performance assessment and resource allocation by the management.

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

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

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. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

(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 are calculated by dividing the net profit / loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of dilutive potential equity shares.

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

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

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

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

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

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.

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

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.

i. 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.

ii. Financial assets at amortized cost

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

iv. Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Eg. Investments in mutual funds.

v. Impairment of financial assets

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

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

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

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

vi. Derecognition of financial asset

A financial asset is primarily derecognised when:

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

b) Financial Liabilities

All financial liabilities are measured at amortised cost using the effective interest method or at fair value through profit or loss.

i. Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL. A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of sort-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition, if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluation on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

ii. Financial liabilities at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

iii. Financial liabilities at amortized cost

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

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (CONTD.)

18 INSURANCE CLAIMS

Insurance claims are accounted for on the basis of claims accepted by the insurance authorities.

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 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:

(a) 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).

(b) 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.

(c) The Company has opted to continue with the carrying value for all of its proerty, plant and equipment as recognised in its previous GAAP financial as deemed cost at the transition date.

(d) The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

(e) The company has assessed all contracts and arrangements for embedded leases based on conditions in place as at the date of transition.

(f) The Company has decided to continue with the revenue based amortisation method for existing road concessions.

Further, the estimates as at 01 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with the Indian GAAP.

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.

As per our report attached of even date

SHARP & TANNAN
Chartered Accountants
(Firm's Registraion No.: 003792S)
By the hand of

D. VINOD KUMAR
Partner
Membership No. 224549

Place : Chennai
Date : April 27, 2017

For and on behalf of the Board

S. SRINIVASAN	**KG SUBRAMANIAN**	**R G RAMACHANDRAN**	**MATHEW GEORGE**
Company Secretary	*Chief Financial Officer*	*Director*	*Director*
M. No. A15797		*DIN: 02671982*	*DIN: 07402208*

Place : Chennai
Date : April 27, 2017