BOARD'S REPORT

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

FINANCIAL RESULTS

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	**(20.06)**	*5.47*
Less: Depreciation and amortisation	**5.07**	*4.90*
Profit/(loss) before exceptional and extraordinary items and tax	**(25.13)**	*0.57*
Profit/(loss) before tax	**(25.13)**	*0.57*
Less: Provision for tax	**0.26**	*–*
Profit/(loss) after tax for the year carried to the balance sheet	**(25.40)**	*0.57*
Add: Balance brought forward from previous year	**(3.75)**	*(4.32)*
Balance carried to Balance Sheet	**(29.15)**	*(3.75)*

RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

The gross revenue and other income for the financial year under review were ₹ 151.85 crore as against ₹ 140.61 crore for the previous financial year registering an increase of 7.99%. The loss from continuing operations including extraordinary and exceptional items before tax was ₹ 25.13 crore and the loss from continuing operations including extraordinary and exceptional items after tax of ₹ 25.40 crore for the financial year under review as against a profit of ₹ 0.56 crore and ₹ 0.56 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 18.49% of non-cash transactions as compared to the period prior to Demonetization. The Company has realized ₹ 4.51 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 & FINANCE

The company had refinanced its existing term loan with loan from PNB and Aditya Birla Finance Limited which has ensured reduced interest burden for the Company and postponement of repayment of Loan.

CAPITAL EXPENDITURE

As at March 31, 2017 the gross fixed and intangible assets including leased Assets, stood at ₹ 1093.07 crore and the net fixed and intangible assets, including leased assets, at ₹ 1060.45 crore. Capital Expenditure during the year amounted to ₹ 187.27 crore.

DEPOSITS

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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

SUBSIDIARY/ASSOCIATE/JOINT VENTURE

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

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

Since the Company is engaged in the business of developing infrastructure facility, the provisions of Section 186 of the Companies Act 2013 (Act) except sub-section (1) are not applicable to the Company. However the details of loans given, investments made and guarantees/securities provided by the Company are given in the Note 7 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 are at Ordinary course of business and at Arm's Length basis. The Company will adhere to the RPT policy of the Holding Company and the guidelines thereunder.

The Company has not entered into any material contracts or arrangement during the year and the disclosure as per Form AOC-2 of the Act is given to this Report as Annexure 1.

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

The Company has filed a Writ Petition being WP No. 3502 of 2015 before the Hon'ble High Court of Madras seeking, inter alia, the directions to Tamil Nadu State Transport Corporation (TNSTC) to make payment of the User Fee(s)/Toll Fee(s) strictly in terms of the Fee Notification dated October 5, 2010 issued by the Ministry of Road Transport and Highways, Government of India.

The counsel for TNSTC contended this on the hearing held on March 19, 2015 stating that notwithstanding the order of the Chief Justice Hon'ble High Court of Madras, no amount was payable to the Company since user fee(s) were being paid in terms of the 1997 Rules and as such, since the 2008 Rules would not apply, there was no amount that was liable to be paid.

In the meanwhile, TNSTC has filed WP No.7904/2015 seeking direction from the Hon'ble High Court of Madras to direct the Company to allow the buses to take unlimited number of trips on purchase of monthly passes for 50 trips in line with 1997 Rules. Both the WP are clubbed together and they are now pending for final arguments.

Arguments in the matter are over during the year 2016-17, and the matter is resolved for final order.

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 are no foreign exchange income or outgo 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 retired by rotation at the Annual General Meeting held on September 29, 2016 and was re-appointed as director of the Company.

Mr. Arun Kumar Jha was appointed as Additional Director of the Company on April 28, 2016. He was appointed as Director in the Annual General Meeting of the Company held on September 29, 2016 and subsequently resigned as Director of the Company with effect from 18th January 2017.

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

Sr. No.	Name	Designation	DIN
1	Mr. T.S.Venkatesan	Director	01443165
2	Dr. Esther Malini	Director	07124748
3	Dr. A.Veeraragavan	Independent Director	07138615
4	Dr. Koshy Varghese	Independent Director	03141594

Mr. Biju Francis was appointed as Manager of the Company with effect from April 28, 2016. He subsequently resigned as Manager of the Company with effect from August 31, 2016.

Mr. Durairaj V was appointed as Manager of the Company with effect from October 20, 2016.

Mr. Ch.Arvind Krishna resigned as Chief Financial Officer of the Company with effect from 23rd July 2016.

Mr. B.V.Srinivas was appointed as Chief Financial Officer of the Company with effect from January 18, 2017.

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

Sr. No.	Name	Designation
1	Mr. V.Durairaj	Manager
2	Mr. B.V.Srinivas	Chief Financial Officer

NUMBER OF MEETING OF THE BOARD OF DIRECTORS

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

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

Date	Board Strength	No. of Directors Present
April 28, 2016	5	3
July 12,2016	5	4
September 16, 2016	5	2
October 20, 2016	5	4
January 18,2017	5	2
March 20,2017	5	4

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

INFORMATION TO THE BOARD

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

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

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

AUDIT COMMITTEE

The Company has constituted an Audit Committee in terms of the requirements of the Act. The Members of the Audit Committee are, Dr. A.Veeraragavan, Dr. Koshy Varghese and Dr. Esther Malini.

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

Date	Strength of the Committee	No. of Members present
April 28, 2016	3	3
July 12,2016	3	3
September 16, 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 Act, the Company has established a Vigil Mechanism framework for Directors and employees to report genuine concerns. The Chief Internal Auditor of the Holding Company is the co-ordinator for the Vigil Mechanism and responsible for receiving, validating, investigating and reporting to the Audit Committee during the year.

The Whistle Blower Policy of the Company meets the requirement of the Vigil Mechanism framework under the Act.

COMPANY POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION

The Company has constituted the Nomination and Remuneration Committee in accordance with the requirements of the Act read with the rules made thereunder. The Members of the Nomination and Remuneration Committee are Dr. A.Veeraragavan, Dr. Koshy Varghese and Mr. T.S.Venkatesan

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

Date	Strength of the Committee	No. of Members present
April 28, 2016	3	3
July 12,2016	3	3
October 20, 2016	3	3
January 18,2017	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 Act 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 07th December 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

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.

PROTECTION OF WOMEN AT WORKPLACE

The parent company Larsen & Toubro Limited (L&T) has formulated a policy on 'Protection of Women's Rights at Workplace' which is applicable to all group companies. This has been widely disseminated. There were no cases of sexual harassment received in the Company during 2016-17.

AUDITOR AND AUDITOR'S REPORT

Statutory Auditors

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

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

Cost Auditor

PRI & Associates (Firm Reg No: 000456), a firm of Cost Auditors, was appointed as Cost Auditor of the Company for audit of cost accounting records for the financial year 2016-2017, pursuant to the provisions of Section 148 of the Act and Rule 3 and 4 of the Companies (Cost Records and Audit) Amendment Rules, 2014. The Report of the Cost Auditors for the financial year 2016-2017 would be filed with the Ministry of Corporate Affairs once the same is finalised.

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

Secretarial Auditors

R.Thamizhvanan, Company Secretaries in practice, (COP no: 3721) Chennai was appointed to conduct the secretarial audit of the Company for the financial year 2016-17, as required under Section 204 of the Act and Rules thereunder.

The secretarial audit report for the financial year 2016-17 is attached as Annexure 3 to this Report and it contains the qualification:

The company has complied with all requirements under the new Companies Act 2013 to the extent notified and applicable with respect to all events/actions having a major bearing on the Companies affairs except appointment of whole-time secretary as required by Rule 8A of Companies (Appointment and remuneration of Managerial Personnel Rules 2014)

Management Response: The Company is in search of suitable candidate to be appointed as Company Secretary and shall endeavour to appoint in the near future.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

T. S. VENKATESAN	**Dr. ESTHER MALINI**
Director	*Director*
DIN: 01443165	*DIN: 07124748*

Place: Chennai

Date: April 24, 2017

ANNEXURE 1

FORM NO. AOC.2

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

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

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

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

For and on behalf of the Board

T. S. VENKATESAN	**Dr. ESTHER MALINI**
Director	*Director*
DIN: 01443165	*DIN: 07124748*

Place: Chennai

Date: April 24, 2017

ANNEXURE 2

FORM NO. MGT-9

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

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	U45203TN2010PLC075446
Registration Date	23/04/2010
Name of the Company	L&T Krishnagiri Walajahpet Tollway Limited
Category / Sub-Category of the Company	Company Limited by shares/Indian Non-government Company
Address of the Registered office and contact details	P.O.Box.979, Mount Poonamallee Road, Manapakkam, Chennai- 600089
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	NSDL Database Management Limited * 4th Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Ph: 022 4914 2591

* NSDL Database Management Limited was appointed as Registrar and Share Transfer Agent at the Board Meeting held on July 12, 2016 and the services transfer from Sharepro Services Limited are under process.

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	99.9%	2(46)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat at	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):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**89999995**	**5***	**90000000**	**100**	**89999995**	**5***	**90000000**	**100**	**–**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat at	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.	–	–	–	–	–	–	–	–	–
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
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)	89997400	99.98	50.99#	89997400	99.989	50.99#	–
2	Larsen & Toubro Limited	2600	0.00028	0.01#	2600	0.00028	0.01#	–
	Total	**90000000**	**100**	**51#**	**90000000**	**100**	**51#**	–

#based on the information received from Promoters

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding		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
	As on April 01, 2016	1	0.0001%	1	0.0001%
	Date wise Increase / Decrease in Shareholding during the year	–	–	–	–
	As on March 31, 2017	1	0.0001%	1	0.0001%

V. INDEBTEDNESS

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

(Amount in ₹)

Particulars of Indebtedness	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
As on April 01, 2016			
i) Principal Amount	7,38,55,88,903	59,47,00,000	7,98,02,88,903
ii) Interest due but not paid	–	–	–
iii) Interest accrued but not due	–	–	–
Total (i+ii+iii)	**7,38,55,88,903**	**59,47,00,000**	**7,98,02,88,903**
Change in Indebtedness during the financial year			
Addition	7,72,58,28,903		7,72,58,28,903
Reduction	7,38,55,88,903	55,46,00,000	7,94,01,88,903
Net Change	**34,02,40,000**	**(55,46,00,000)**	**(21,43,60,000)**
Indebtedness at the end of the financial year			
i) Principal Amount	7,72,58,28,903	4,01,00,000	7,76,59,28,903
ii) Interest due but not paid	–	–	–
iii) Interest accrued but not due	–	–	–
Total (i+ii+iii)	**7,72,58,28,903**	**4,01,00,000**	**7,76,59,28,903**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Manager: Mr. Durairaj V (from 18th January 2017)	
1.	Gross salary	₹ 6,33,404/-	**₹ 6,33,404/-**
	(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)	**₹ 6,33,404/-**	**₹ 6,33,404/-**
	Ceiling as per the Act		**₹ 126,04,220/-**

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 meetings	₹ 1,50,000/-	₹ 1,25,000/-	**₹ 2,75,000/-**
	Fee for attending committee meetings	₹ 1,00,000/-	₹ 90,000/-	**₹ 2,15,000/-**
	Commission	-	-	**-**
	Others, please specify	-		
	-	-		
	Total (1)	**₹ 2,50,000/-**	**₹ 2,15,000/-**	**₹ 4,65,000/-**
		Dr. Esther Malini	**Mr. T.S.Venkatesan**	
2	Other Non-Executive Directors			
	Fee for attending board / committee meetings			
	Commission			
	Others, please specify	Nil	Nil	
	Total (2)	**Nil**	**Nil**	
	Total (B)=(1+2)	**₹ 2,50,000/-**	**₹ 2,15,000/-**	**₹ 4,65,000/-**
	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. B.V.Srinivas, CFO of the Company is employed by the Holding Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

For and on behalf of the Board

T. S. VENKATESAN
Director
DIN: 01443165

Dr. ESTHER MALINI
Director
DIN: 07124748

Place: Chennai

Date: April 24, 2017

ANNEXURE 3

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 2016-17

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

To
The Members,
L&T KRISHNAGIRI WALAJAHPET TOLLWAY LIMITED
P.O. BOX NO.979, MOUNT POONAMALLEE ROAD
MANAPAKKAM
CHENNAI-600089

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **L&T KRISHNAGIRI WALAJAHPET TOLLWAY LIMITED (here-in-after called the 'Company')** for the financial year ending on **31st March 2017.** Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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 has complied with the applicable 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 said financial year under the provisions of

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder – **Not Applicable**;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder - **Not Applicable**;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not Applicable**;

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

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Not Applicable**;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992- **Not Applicable**;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not Applicable**;

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - **Not Applicable**;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable**;

   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 - **Not Applicable**;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not Applicable**;

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not Applicable**;

I have also examined whether adequate systems and processes are in place to monitor and ensure compliance with general laws like labour laws, competition laws, environment laws etc

In respect of financial laws like Tax laws, etc. I have relied on the audit reports made available during our audit for us to have the satisfaction that the Company has complied with the provisions of such laws

I/we have also examined compliance with the applicable clauses of the following:

(a) Secretarial Standards issued by The Institute of Company Secretaries of India. - **Applicable**

(b) The Listing Agreements entered into by the Company with stock Exchanges for securities - **Not Applicable**

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

I further report that:-

The Board of Directors & the Committees of the Company are duly constituted. 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.

Majority decision is carried through and there were no dissenting views by any of the Board members during the year.

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 complied with all requirements under the new Companies Act 2013 to the extent notified and applicable with respect to all events/actions having a major bearing on the Companies affairs ***except appointment of whole-time secretary as required by Rule 8A of Companies (Appointment and remuneration of Managerial Personnel Rules 2014)***

Sd/-

R. THAMIZHVANAN

(COMPANYSECRETARYIN PRACTICE)

CP NO. 3721

Place: Chennai

Date: 21.04.2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF L&T KRISHNAGIRI WALAJAHPET TOLLWAY LIMITED

REPORT ON THE IND AS FINANCIAL STATEMENTS

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

MANAGEMENT'S RESPONSIBILITY FOR THE IND AS FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

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

OPINION

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

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

iv. The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note H (20) to the Ind AS financial statements.

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

S. Poosaidurai
Partner
Membership No.223754

Place: Chennai
Date: April 24, 2017

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

S. Poosaidurai
Partner
Membership No.223754

Place: Chennai
Date: April 24, 2017

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

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

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

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

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

S. Poosaidurai
Partner
Membership No.223754

Place: Chennai
Date: April 24, 2017

BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note	As at 31-03-2017 ₹	As at 31-03-2016 ₹	As at 01-04-2015 ₹
ASSETS				
(1) Non-current assets				
a) Property, Plant and Equipment	1	**12,172,970**	*14,495,983*	*17,621,562*
b) Capital work-in-progress	2	**223,282,171**	*202,442,158*	*202,442,158*
c) Intangible assets	3	**10,571,532,490**	*9,084,856,322*	*9,132,572,570*
d) Intangible assets under development	4	**–**	*1,738,871,214*	*1,733,000,000*
e) Financial Assets				
i) Loans and Advances	5	**89,000**	*84,000*	*84,000*
f) Other non-current assets	6	**119,114,910**	*11,280,432*	*1,465,520*
	A	**10,926,191,541**	*11,052,030,109*	*11,087,185,810*
Current assets				
a) Financial Assets				
i) Investments	7	**12,408,412**	*48,384,546*	*16,253,729*
ii) Cash and bank balances	8	**17,364,875**	*10,871,427*	*17,485,630*
iii) Loans and advances	5	**250,772**	*182,022*	*482,022*
iv) Others	5	**46,413,820**	–	–
b) Current Tax Assets (net)	6	**20,921,007**	*106,966,506*	*14,534,912*
c) Other current assets	6	**6,534,813**	*22,754,683*	*10,588,018*
	B	**103,893,699**	*189,159,184*	*59,344,311*
TOTAL	A+B	**11,030,085,240**	*11,241,189,293*	*11,146,530,121*
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share capital	9	**900,000,000**	*900,000,000*	*900,000,000*
b) Other Equity	10	**131,582,360**	*385,594,754*	*379,900,671*
	C	**1,031,582,360**	*1,285,594,754*	*1,279,900,671*
LIABILITIES				
(1) Non-current liabilities				
a) Financial liabilities				
i) Borrowings	11	**7,523,035,047**	*7,334,254,581*	*7,534,191,643*
b) Provisions	13	**358,847,842**	*193,961,671*	*74,487,260*
c) Other non-current liabilities	14	**–**	*1,898,314,842*	*1,905,758,687*
	D	**7,881,882,889**	*9,426,531,094*	*9,514,437,590*
Current liabilities				
a) Financial liabilities				
i) Borrowings	11	**194,616,580**	*273,020,000*	*128,800,000*
ii) Trade payables	15	**28,224,789**	*3,511,389*	*17,469,847*
iii) Other financial liabilities	12	**34,819,913**	*153,686,078*	*152,970,680*
b) Other current liabilities	14	**1,856,633,871**	*97,527,991*	*52,594,329*
c) Provisions	13	**2,324,838**	*1,317,987*	*357,004*
	E	**2,116,619,991**	*529,063,445*	*352,191,860*
Total Equity and Liabilities	C+D+E	**11,030,085,240**	*11,241,189,293*	*11,146,530,121*
Contingent liabilities	F			
Commitments	G			
Other notes forming part of accounts	H			
Significant accounting policies	I			

As per our report of even date

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

S. POOSAIDURAI
Partner
Membership No. 223754

Place : Chennai
Date : April 24, 2017

For and on behalf of the Board

T. S. VENKATESAN
Director
DIN : 01443165

ESTHER MALINI
Director
DIN : 07124748

Place : Chennai
Date : April 24, 2017

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

Particulars	Note No.	2016-17 ₹	2016-17 ₹	2015-16 ₹	2015-16 ₹
REVENUE					
Revenue from Operations	**16**		**1,335,376,595**		*1,242,765,168*
Other income	**17**		**11,037,693**		*9,593,069*
Total income			**1,346,414,288**		*1,252,358,237*
EXPENSES					
Operating expenses	**18**		**336,188,777**		*280,072,204*
Employee benefit expense	**19**		**21,618,561**		*18,968,751*
Finance costs	**20**		**1,148,759,480**		*871,195,759*
Depreciation, amortisation and obsolescence	**1 & 3**		**50,702,510**		*48,982,557*
Administration and other expenses	**21**		**39,911,425**		*27,179,955*
Total expenses			**1,597,180,753**		*1,246,399,226*
Profit/(loss) before exceptional items and tax			**(250,766,465)**		*5,959,011*
Tax Expense:					
Current tax		**–**		*–*	
Adjustment of tax relating to earlier periods		**2,662,739**		*–*	
			2,662,739		*–*
Profit/(loss) after tax for the year			**(253,429,204)**		*5,959,011*
Prior period adjustments			**–**		*–*
Profit for the year			**(253,429,204)**		*5,959,011*
Other Comprehensive Income					
i) Reclassifiable to profit or loss in subsequent periods					
ii) Not reclassifiable to profit or loss in subsequent periods			**(583,190)**		*(264,928)*
Total Comprehensive Income for the year			**(254,012,394)**		*5,694,083*
Earnings per equity share (Basic and Diluted)	**H (9)**		**(2.82)**		*0.07*
Face value per equity share			**10.00**		*10.00*

As per our report of even date

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

S. POOSAIDURAI
Partner
Membership No. 223754

Place : Chennai
Date : April 24, 2017

For and on behalf of the Board

T. S. VENKATESAN
Director
DIN : 01443165

ESTHER MALINI
Director
DIN : 07124748

Place : Chennai
Date : April 24, 2017

CASH FLOW STATEMENT AS ON MARCH 31, 2017

	Particulars	2016-17 ₹	2015-16 ₹
A	**Net profit / (loss) before tax and extraordinary items**	**(251,349,655)**	5,694,083
	Adjustments for :		
	Depreciation and amortisation expense	**50,702,510**	48,982,557
	Interest expense	**1,148,759,480**	871,195,759
	(Profit)/loss on sale of current investments(net)	**(7,300,016)**	(4,219,806)
	(Profit)/loss on sale of fixed assets	**45,450**	(42,865)
	Operating profit before working capital changes	**940,857,769**	921,609,728
	Adjustments for:		
	Increase / (Decrease) in long term provisions	**145,625,901**	111,713,471
	Increase / (Decrease) in trade payables	**24,713,400**	(13,958,458)
	Increase / (Decrease) in other current liabilities	**170,691,038**	37,489,817
	Increase / (Decrease) in other current financial liabilities	**(121,383,287)**	(857,785)
	Increase / (Decrease) in short term provisions	**1,006,851**	960,983
	(Increase) / Decrease in loan term loans and advances	**(5,000)**	-
	(Increase) / Decrease in financial asset	**(46,482,570)**	300,000
	(Increase) / Decrease in other current assets	**16,219,870**	(12,166,665)
	Net cash generated from/(used in) operating activities	**1,131,243,972**	1,045,091,091
	Direct taxes paid (net of refunds)	**(24,451,718)**	(102,246,506)
	Net Cash(used in)/generated from Operating Activities	**1,106,792,254**	942,844,585
B	**Cash flow from investing activities**		
	Purchase of fixed assets	**(126,947,519)**	(4,015,464)
	Sale of fixed assets	**(22,395)**	46,385
	Purchase of current investments	**(1,189,894,999)**	(1,129,872,998)
	Sale of current investments	**1,233,171,149**	1,101,961,987
	Net cash (used in)/generated from investing activities	**(83,693,764)**	(31,880,090)
C	**Cash flow from financing activities**		
	Repayment of Equity - Mezz debt	**(539,600,000)**	–
	Proceeds / (repayment) from / (to) borrowings from related party	**(15,000,000)**	(110,338,748)
	Proceeds / (repayment) from / (to) long term borrowings	**7,725,336,096**	–
	Repayment of long term borrowings	**(7,432,880,565)**	(118,700,000)
	Interest paid	**(754,460,573)**	(688,539,950)
	Net cash (used in)/generated from financing activities	**(1,016,605,042)**	(917,578,698)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**6,493,448**	(6,614,203)
	Cash and cash equivalents as at the beginning of the year	**10,871,427**	17,485,630
	Cash and cash equivalents as at the end of the year	**17,364,875**	10,871,427

NOTES

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

As per our report of even date

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

S. POOSAIDURAI
Partner
Membership No. 223754

Place : Chennai
Date : April 24, 2017

For and on behalf of the Board

T. S. VENKATESAN
Director
DIN : 01443165

ESTHER MALINI
Director
DIN : 07124748

Place : Chennai
Date : April 24, 2017

NOTES FORMING PART OF ACCOUNTS

NOTE 1 : PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹)

Particulars	Cost				Depreciation				Book Value	
	As at April 01, 2016	Additions	Disposals	As at March 31, 2017	As at April 01, 2016	For the year	On disposals	As at March 31, 2017	As at March 31, 2017	As as March 31, 2016
Owned										
Land	2,546,860	–	–	2,546,860	–	–	–	–	2,546,860	2,546,860
Plant and Equipment	1,900,870	1,349,927	–	3,250,797	481,565	562,138	–	1,043,703	2,207,094	1,419,305
Furniture and fixtures	1,121,223	84,910	–	1,206,133	182,964	198,208	–	381,172	824,961	938,259
Vehicles	11,204,855	35,835	553,192	10,687,498	2,862,998	2,811,830	474,492	5,200,336	5,487,162	8,341,857
Office equipment	1,217,004	106,584	–	1,323,588	611,868	293,729	–	905,597	417,991	605,136
Computers, laptops and printers	857,314	355,750	165,902	1,047,162	212,748	367,059	221,547	358,260	688,902	644,566
Total	**18,848,126**	**1,933,006**	**719,094**	**20,062,038**	**4,352,143**	**4,232,964**	**696,039**	**7,889,068**	**12,172,970**	**14,495,983**
Previous year	*17,621,562*	*1,230,084*	*3,520*	*18,848,126*	–	*4,352,143*	–	*4,352,143*	*14,495,983*	*17,621,562*

NOTE 2 : CAPITAL WORK-IN-PROGRESS

(Amount in ₹)

Particulars	Cost			
	As at April 01, 2016	Additions	Disposals	As at March 31, 2017
Capital work in progress	202,442,158	20,840,013	–	223,282,171
Total	**202,442,158**	**20,840,013**	**–**	**223,282,171**

Plant and Equipment in CWIP of value ₹ 20,36,92,479 are pending installation and not ready for use as a permanent toll plaza is pending construction due to non allotment of land by the NHAI. Additions during the year include purchase of additional toll equipments and Static Weigh Bridge / Slow Way - in - Motion which are pending for installation as at 31st Mar 2017.

NOTE 3 : INTANGIBLE ASSETS

(Amount in ₹)

Particulars	Cost				Amortisation				Book Value	
	As at April 01, 2016	Additions	Disposals	As at March 31, 2017	As at April 01, 2016	For the year	On disposals	As at March 31, 2017	As at March 31, 2017	As as March 31, 2016
Toll collection rights	9,154,186,736	1,849,932,912	316,787,197	10,687,332,451	69,330,414	46,469,547	–	115,799,961	10,571,532,490	9,084,856,322
Total	**9,154,186,736**	**1,849,932,912**	**316,787,197**	**10,687,332,451**	**69,330,414**	**46,469,547**	**–**	**115,799,961**	**10,571,532,490**	**9,084,856,322**

NOTE 4 : INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount in ₹)

Particulars	Cost			
	As at April 01, 2016	Additions	Disposals	As at March 31, 2017
Construction cost	1,733,000,000		1,733,000,000	–
Pre-operative expenses pending allocation	5,871,214		5,871,214	–
Total	**1,738,871,214**	**–**	**1,738,871,214**	**–**

Previous year

a) An amount of 173.88 Cr is transferred from intangible asset under development to toll collection rights in the current year.

NOTES TO FINANCIAL STATEMENTS (Contd.)

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

(Amount in ₹)

Particulars	Cost				Depreciation				Book Value	
	As at April 01, 2015	Additions	Disposals	As at March 31, 2016	As at April 01, 2015	For the year	On disposals	As at March 31, 2016	As at March 31, 2016	As at April 01, 2015
Owned										
Land	2,546,860	–	–	2,546,860	–	–	–	–	2,546,860	2,546,860
Plant and Equipment	1,730,770	170,100	–	1,900,870	–	320,833	–	320,833	1,580,037	1,730,770
Furniture and fixtures	1,121,223	–	–	1,121,223	–	182,964	–	182,964	938,259	1,121,223
Vehicles	11,106,305	98,550	–	11,204,855	–	2,862,998	–	2,862,998	8,341,857	11,106,305
Office equipment	1,055,678	161,326	–	1,217,004	–	772,600	–	772,600	444,404	1,055,678
Computers, laptops and printers	60,726	800,108	3,520	857,314	–	212,748	–	212,748	644,566	60,726
Total	**17,621,562**	**1,230,084**	**3,520**	**18,848,126**	**–**	**4,352,143**	**–**	**4,352,143**	**14,495,983**	**17,621,562**

NOTE 2 : CAPITAL WORK-IN-PROGRESS

(Amount in ₹)

Particulars	Cost			
	As at April 01, 2016	Additions	Disposals	As at March 31, 2017
Capital work in progress	202,442,158	–	–	202,442,158
Total	**202,442,158**	**–**	**–**	**202,442,158**

NOTE 3 : INTANGIBLE ASSETS

(Amount in ₹)

Particulars	Cost				Amortisation				Book Value	
	As at April 01, 2015	Additions	Disposals	As at March 31, 2016	As at April 01, 2015	For the year	On disposals	As at March 31, 2016	As at March 31, 2016	As at April 01, 2015
Toll collection rights	9,157,272,570	–	3,085,834	9,154,186,736	24,700,000	44,645,447	15,033	69,330,414	9,084,856,322	9,132,572,570
Total	**9,157,272,570**	**–**	**3,085,834**	**9,154,186,736**	**24,700,000**	**44,645,447**	**15,033**	**69,330,414**	**9,084,856,322**	**9,132,572,570**

NOTE 4 : INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount in ₹)

Particulars	Cost			
	As at April 01, 2015	Additions	Deductions	As at March 31, 2016
Construction cost	1,733,000,000	–	–	1,733,000,000
Pre-operative expenses pending allocation	–	5,871,214	–	5,871,214
Total	**1,733,000,000**	**5,871,214**	**–**	**1,738,871,214**

NOTES TO FINANCIAL STATEMENTS (Contd.)

NOTE 5 : FINANCIAL ASSET

Particulars	March 31, 2017 Current ₹	March 31, 2017 Non-current ₹	March 31, 2017 Total ₹	March 31, 2016 Current ₹	March 31, 2016 Non-current ₹	March 31, 2016 Total ₹	April 01, 2015 Current ₹	April 01, 2015 Non-current ₹	April 01, 2015 Total ₹
a) Loans and Advances									
Unsecured, considered good	**250,772**	**89,000**	**339,772**	*182,022*	*84,000*	*266,022*	*482,022*	*84,000*	*566,022*
b) Others									
Due from related parties	**19,918,488**		**19,918,488**						
NHAI claim receivable	**26,495,332**	**–**	**26,495,332**	–	–	–	–	–	–
	46,664,592	**89,000**	**46,753,592**	*182,022*	*84,000*	*266,022*	*482,022*	*84,000*	*566,022*

NOTE 6 : OTHER NON-CURRENT AND CURRENT ASSETS

Particulars	March 31, 2017 Current ₹	March 31, 2017 Non-current ₹	March 31, 2017 Total ₹	March 31, 2016 Current ₹	March 31, 2016 Non-current ₹	March 31, 2016 Total ₹	April 01, 2015 Current ₹	April 01, 2015 Non-current ₹	April 01, 2015 Total ₹
Advances other than capital advances									
Other advances	**3,173,190**	**–**	**3,173,190**	*18,873,181*	–	*18,873,181*	*7,880,368*	–	*7,880,368*
Advance recoverable other than in cash									
Prepaid Insurance	**3,361,623**	**–**	**3,361,623**	*3,341,960*	–	*3,341,960*	*2,252,916*	–	*2,252,916*
Prepaid expenses	**–**	**–**	**–**	*539,542*	–	*539,542*	*454,734*	–	*454,734*
VAT recoverable	**–**	**1,235,348**	**1,235,348**	–	*1,235,348*	*1,235,348*	–	*1,235,348*	*1,235,348*
	6,534,813	**1,235,348**	**7,770,161**	*22,754,683*	*1,235,348*	*23,990,031*	*10,588,018*	*1,235,348*	*11,823,366*
Income tax									
Income tax net of previous year provisions	**20,921,007**	**117,879,562**	**138,800,569**	*106,966,506*	*10,045,084*	*117,011,590*	*14,534,912*	*230,172*	*14,765,084*
	20,921,007	**117,879,562**	**138,800,569**	*106,966,506*	*10,045,084*	*117,011,590*	*14,534,912*	*230,172*	*14,765,084*

NOTE 7 : INVESTMENTS

Particulars	As at March 31, 2017 Quantity Units	As at March 31, 2017 Current ₹	As at March 31, 2016 Quantity Units	As at March 31, 2016 Current ₹	As at April 01, 2015 Quantity Units	As at April 01, 2015 Current ₹
Investments (quoted)						
Mutual funds at fair value through profit and loss		**12,408,412**		*48,384,546*		*16,253,729*
		12,408,412		*48,384,546*		*16,253,729*
Aggregate book value of quoted investments		**12,005,572**		*48,023,799*		*16,244,997*
Aggregate market value of quoted investments		**12,408,412**		*48,384,546*		*16,253,729*

NOTES TO FINANCIAL STATEMENTS (Contd.)

NOTE 8 : CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹	As at April 01, 2015 ₹
a) Balances with banks			
Trust retention and escrow accounts	4,397,685	1,167,286	7,452,243
Other accounts	5,854,922	4,390,744	
b) Cheques on hand	–	–	4,543,389
c) Cash on hand	7,112,268	5,313,397	5,489,998
	17,364,875	10,871,427	17,485,630

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

NOTE 9 : SHARE CAPITAL

(i) Authorised, issued, subscribed and paid up

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	₹	No. of shares	₹	No. of shares	₹
Authorised:						
Equity shares of ₹ 10 each	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:

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	₹	No. of shares	₹	No. of shares	₹
At the beginning of the year	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 shares

Equity shares of ₹10 each.

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

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

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

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

No dividend has been declared by the board of directors during the year ended 31st March 2017. (Previous year Nil)

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

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	₹	No. of shares	₹	No. of shares	₹
L&T Infrastructure Development Projects Limited (including nominee holding)	89,997,400	899,974,000	89,997,400	899,974,000	89,997,400	899,974,000
Larsen and Toubro Limited (ultimate holding company)	2,600	26,000	2,600	26,000	2,600	26,000
	90,000,000	900,000,000	90,000,000	900,000,000	90,000,000	900,000,000

NOTES TO FINANCIAL STATEMENTS (Contd.)

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

	As at March 31, 2017		*As at March 31, 2016*		*As at April 01, 2015*	
	No. of shares	**₹**	*No. of shares*	*₹*	*No. of shares*	*₹*
L&T Infrastructure Development Projects Limited (including nominee holding)	**89,997,400**	**99.997%**	*89,997,400*	*99.997%*	*89,997,400*	*99.997%*
Larsen and Toubro Limited (including nominee holding)	**2,600**	**0.003%**	*2,600*	*0.003%*	*2,600*	*0.003%*

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

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

STATEMENT OF CHANGES IN EQUITY AS ON MARCH 31, 2017

10 OTHER EQUITY AS ON 31.03.2017

Particulars	**Equity component of compound financial instruments**	**Reseve & Surplus**	**Total**
		Retained earnings	
Balance at the beginning of the year	423,130,019	-37,535,265	385,594,754
Total comprehensive income for the year		-254,012,394	–254,012,394
Balance at the end of the year	**423,130,019**	**-291,547,659**	**131,582,360**

OTHER EQUITY AS ON 31.03.2016

Particulars	**Equity component of compound financial instruments**	**Reseve & Surplus**	**Total**
		Retained earnings	
Balance at the beginning of the reporting period	423,130,019	-43,229,348	379,900,671
Total comprehensive income for the year	–	5,694,083	5,694,083
Balance at the end of the year	**423,130,019**	**-37,535,265**	**385,594,754**

NOTE 11 : BORROWINGS

	March 31, 2017			*March 31, 2016*			*April 01, 2015*		
Particulars	**Current**	**Non-current**	**Total**	*Current*	*Non-current*	*Total*	*Current*	*Non-current*	*Total*
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Secured borrowings									
a) Term loans									
i) From banks	**123,716,580**	**6,013,835,047**	**6,137,551,627**	*217,920,000*	*7,161,914,414*	*7,379,834,414*	*118,700,000*	*7,378,852,895*	*7,497,552,895*
ii) From others	**30,800,000**	**1,509,200,000**	**1,540,000,000**	–	–	–	–	–	–
Unsecured borrowings									
b) Loans from related parties	**40,100,000**	**–**	**40,100,000**	*55,100,000*	*172,340,167*	*227,440,167*	*10,100,000*	*155,338,748*	*165,438,748*
	194,616,580	**7,523,035,047**	**7,717,651,627**	*273,020,000*	*7,334,254,581*	*7,607,274,581*	*128,800,000*	*7,534,191,643*	*7,662,991,643*

Details of long term borrowings

Particulars	**Effective interest rate**	**Terms of repayment**
Term loans from banks	9.35%	Repayable in 216 monthly ballooning installments starting from April 2017 and ending March 2035.
Term loans from financial institution		

Nature of security for term loans:

i) Mortgage of title deed of a plot in Maharashtra.

ii) Pari passu charge on all the immovable and movable properties of the Company relating to the Project, both present and future except Project Assets as defined in the Concession Agreement, all bank accounts of the company and all Authorized investments or other securities representing all amounts credited in the bank accounts. Existing charge with State Bank of India and its consortium is in force and the same is to be created in favor of new Lender, Punjab National Bank and its consortium.

NOTES TO FINANCIAL STATEMENTS (Contd.)

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Long term borrowings	7,523,035,047	7,161,914,414	7,378,852,895
Current maturities of long term borrowings	154,516,580	217,920,000	118,700,000

NOTE 12 : OTHER FINANCIAL LIABILITIES

Particulars	March 31, 2017 Current	March 31, 2017 Non-current	March 31, 2017 Total	*March 31, 2016 Current*	*March 31, 2016 Non-current*	*March 31, 2016 Total*	*April 01, 2015 Current*	*April 01, 2015 Non-current*	*April 01, 2015 Total*
	₹	₹	₹	₹	₹	₹	₹	₹	₹
a) Deposits received	4,979,496	–	4,979,496	3,960,000	–	3,960,000	–	–	–
b) Interest accrued	4,154,168	–	4,154,168	1,637,046	–	1,637,046	63,863	–	63,863
c) Due to related parties	2,466,463		2,466,463	127,771,491			127,771,490		
d) Other liabilities									
i) Creditors for capital supplies	8,045,798	–	8,045,798	6,542,230	–	6,542,230	13,726,460	–	13,726,460
ii) Revenue share payable	15,173,988	–	15,173,988	13,775,311	–	13,775,311	11,408,867	–	11,408,867
	34,819,913	–	34,819,913	153,686,078	–	25,914,587	152,970,680	–	25,199,190

NOTE 13 : PROVISIONS

Particulars	March 31, 2017 Current	March 31, 2017 Non-current	March 31, 2017 Total	*March 31, 2016 Current*	*March 31, 2016 Non-current*	*March 31, 2016 Total*	*April 01, 2015 Current*	*April 01, 2015 Non-current*	*April 01, 2015 Total*
Provision for employee benefits	2,324,838	3,223,172	5,548,010	1,317,987	3,182,801	4,500,788	357,004	2,269,330	2,626,334
Provisions for major maintenance	–	355,624,670	355,624,670	–	190,778,870	190,778,870	–	72,217,930	72,217,930
	2,324,838	358,847,842	361,172,680	1,317,987	193,961,671	195,279,658	357,004	74,487,260	74,844,264

NOTE 14 : OTHER NON-FINANCIAL LIABILITIES

Particulars	March 31, 2017 Current	March 31, 2017 Non-current	March 31, 2017 Total	*March 31, 2016 Current*	*March 31, 2016 Non-current*	*March 31, 2016 Total*	*April 01, 2015 Current*	*April 01, 2015 Non-current*	*April 01, 2015 Total*
i) Other liabilities	1,852,148,428	–	1,852,148,428	96,969,366	1,898,314,842	1,995,284,208	50,600,674	1,905,758,687	1,956,359,361
ii) Due to related parties		–	–		–	–		–	–
iii) Statutory payables	4,485,443	–	4,485,443	558,625	–	558,625	1,993,655	–	1,993,655
	1,856,633,871	–	1,856,633,871	97,527,991	1,898,314,842	1,995,842,833	52,594,329	1,905,758,687	1,958,353,016

NOTE 15 : TRADE PAYABLES

	March 31, 2017	*March 31, 2016*	*April 01, 2015*
	₹	₹	₹
Due to related parties	15,699,922	1,612,478	8,968,160
Due to others	12,524,867	1,898,911	8,501,687
	28,224,789	3,511,389	17,469,847

NOTE F : CONTINGENT LIABILITIES

1. Contingent in respect of clause 26.3 of the Concession Agreement, NHAI's demand of ₹ 4,78,00,335/- towards Additional Concession Fee. (Previous year - ₹ 4,78,00,335/-).
2. Contingent in respect of negative change of scope ₹ 1,17,55,21,600/- (net of positive change of scope). (Previous year - ₹ 1,17,55,21,600).

NOTE G : COMMITMENT

Capital Commitment

The estimated amount of contracts remaining to be executed on capital amount (net of advances) as of 31st March 2017 amounting to ₹ 1,81,68,284/- (Previous year ₹ 1,81,68,284/-)

NOTES TO FINANCIAL STATEMENTS (Contd.)

NOTE 16 : REVENUE FROM OPERATIONS

	2016-17		*2015-16*	
	₹	₹	₹	₹
Operating revenue:				
Toll Collections	**1,433,363,027**		*1,396,522,002*	
Less : Revenue share to NHAI	**172,140,009**		*153,756,834*	
		1,261,223,018		*1,242,765,168*
Other operating revenue:				
License fee from wayside amenities & others		**879,076**		–
Receivable from NHAI for loss of revenue claim		**73,274,501**		–
		1,335,376,595		*1,242,765,168*

*National Highway Authority of India

NOTE 17 : OTHER INCOME

	2016-17 ₹	*2015-16* ₹
Profit on sale of current investments	**7,300,016**	*4,219,806*
Profit/(loss) on disposal of fixed assets	**(45,450)**	*42,865*
Provision no longer required written back	**–**	–
Dividend Income	**–**	–
Other income	**3,783,127**	*5,330,398*
	11,037,693	*9,593,069*

NOTE 18 : OPERATING EXPENSES

	2016-17 ₹	2016-17 ₹	*2015-16* ₹	*2015-16* ₹
Toll Management fees		**51,778,108**		*62,009,451*
Security services		**9,875,550**		*10,027,322*
Insurance		**6,186,220**		*4,227,543*
Repairs and maintenance				
Toll road & bridge	**83,878,426**		*41,130,769*	
Plant and machinery	**9,598,349**		*3,969,246*	
Periodic major maintenance	**145,585,530**		*110,800,000*	
Others	**5,311,006**		*10,621,811*	
		244,373,311		*166,521,826*
Professional fees		**5,233,186**		*9,239,632*
Power and fuel		**37,262,162**		*28,046,430*
NHAI claim for expense		**(18,519,760)**		–
		336,188,777		*280,072,204*

NOTE 19 : EMPLOYEE BENEFIT EXPENSES

	2016-17 ₹	2016-17 ₹	*2015-16* ₹	*2015-16* ₹
Salaries, wages and bonus		**16,240,987**		*13,634,460*
Contributions to and provisions for:				
Provident fund	**918,046**		*794,672*	
Gratuity	**335,694**		*340,571*	
Compensated absences	**1,517,244**		*1,569,312*	
Retention pay	**898,223**		*204,680*	
Others	**–**		–	
		3,669,207		*2,909,235*
Staff welfare expenses		**3,348,952**		*2,425,056*
NHAI claim for expense		**(1,640,585)**		–
		21,618,561		*18,968,751*

NOTES TO FINANCIAL STATEMENTS (Contd.)

NOTE 20 : FINANCE COSTS

	2016-17		*2015-16*	
	₹	₹	₹	₹
Interest on borrowings		**807,136,957**		*844,653,612*
Other borrowing cost (specify nature)		**8,794,977**		*798,269*
Unwinding of discount and implicit interest expense on fair value		**383,994,588**		*25,743,878*
NHAI claim for expense		**(51,167,042)**		–
		1,148,759,480		*871,195,759*

NOTE 21 : ADMINISTRATION AND OTHER EXPENSES

	2016-17	*2015-16*
Rent, Rates and taxes	**540,251**	*196,622*
Professional fees	**30,261,681**	*20,386,586*
Directors sitting fees	**421,503**	*295,602*
Postage and communication	**521,778**	*406,973*
Printing and stationery	**806,411**	*915,012*
Travelling and conveyance	**1,777,147**	*496,105*
Insurance Expenses	**13,579**	*1,551*
Repairs and Maintenance - Others	**4,399,217**	*4,099,949*
Miscellaneous expenses	**2,388,141**	*381,555*
NHAI claim for expense	**(1,218,283)**	–
	39,911,425	*27,179,955*

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

Particulars	**2016-17**	*2015-16*
	₹	₹
a) As auditor	**314,732**	*302,280*
b) For taxation matters	**14,501**	*29,160*
c) For company law matters	**8,587**	*17,175*
d) For other services	**195,824**	*178,718*
Reimbursement if expenses	**26,076**	*6895*
Total	**559,720**	*534,228*

NOTE H : NOTES FORMING PART OF ACCOUNTS

1) **Corporate Information**

L&T Krishnagiri Walajahpet Tollway Limited is a Special Purpose Vehicle (SPV) incorporated on 23-04-2010 for the purpose of widening of existing four-lane, 148.300 kilometres Road stretch covering from Krishnagiri (Km.0.000) to Walajahpet (Km. 148.300) on National Highway No 46 to make it six lane divided Carriageway facility under Viability Gap Funding scheme of Government of India and operation and maintenance thereof, under the Concession Agreement dated 13-10-2010. The Concession is for a period of 30 year and 12 days including the construction period. At the end of the 30 years the entire facility will be transferred to National Highway Authority of India. The Company has commenced the construction of the highway and collection of toll from the said appointed date.

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

NOTES TO FINANCIAL STATEMENTS (Contd.)

3) Disclosure pursuant to Ind AS 19 "Employee benefits":

(i) Defined contribution plan:

An amount of ₹ 9,18,046/- (previous year : ₹ 7,94,672) being contribution made to recognised provident fund is recognised as expense and included under Employee benefit expense (Note 20) in the Statement of Profit and loss.

(ii) Defined benefit plans:

a) Characteristics of its defined benefit plans and risks associated with them

i	**Benefits offered**	15/ 26 × Salary × Duration of Service
ii	**Salary definition**	Basic Salary including Dearness Allowance (if any)
iii	**Benefit ceiling**	Benefit ceiling of ₹ 10,00,000 was applied
iv	**Vesting conditions**	5 years of continuous service (Not applicable in case of death/disability)
v	**Benefit eligibility**	Upon Death or Resignation / Withdrawal or Retirement
vi	**Retirement age**	58 Years

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

Particulars	**Gratuity plan**	
	As at March 31, 2017	*As at March 31, 2016*
	₹	₹
A) Present value of defined benefit obligation		
– Wholly funded	**1,967,439**	–
– Wholly unfunded	**–**	1,534,419
	1,967,439	1,534,419
Less : Fair value of plan assets	**1,170,529**	–
Amount to be recognised as liability or (asset)	**796,910**	1,534,419
B) Amounts reflected in the Balance Sheet		
Liabilities	**796,910**	1,534,419
Assets	**–**	–
Net Liability / (asset)	**796,910**	1,534,419

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

Particulars		**Gratuity plan**	
		As at March 31, 2017	*As at March 31, 2016*
		₹	₹
1	Current service cost	**267,679**	*248,311*
2	Interest on Defined benefit obligation	**113,163**	*92,260*
3	Expected return on plan assets	**(45,148)**	–
		335,694	*340,571*

d) Remeasurement recognized in other comprehensive income

Particulars	**Gratuity plan**	
	As at March 31, 2017	*As at March 31, 2016*
	₹	₹
Components of actuarial gain/losses on obligations		
Due to change in financial assumptions	**119,034**	*77,128*
Due to change in demographic assumption	**–**	*91,461*
Due to experience adjustments	**429,911**	*96,339*
Return on plan assets excluding amounts included in Interest Income	**34,245**	–
Amount recognized in other comprehensive income	**583,190**	*264,928*

NOTES TO FINANCIAL STATEMENTS (Contd.)

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

Particulars	Gratuity plan	
	As at March 31, 2017	*As at March 31, 2016*
	₹	₹
Op. balance of the present value of defined benefit obligation	**1,534,419**	*1,105,550*
Add: Current service cost	**267,679**	*248,311*
Add: Interest cost	**113,163**	*92,260*
Add/(less): Actuarial losses/(gains)	**548,945**	*264,928*
Less: Benefits paid	**496,767**	*176,630*
Closing balance of the present value of defined benefit obligation	**1,967,439**	*1,534,419*

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

Particulars	Gratuity plan	
	As at March 31, 2017	*As at March 31, 2016*
	₹	₹
Opening value of plan assets	**–**	–
Interest Income	**45,148**	–
Return on plan assets excluding amount included in interest income	**(34,245)**	–
Contribution by employers	**1,324,865**	–
Benefits paid	**(165,239)**	–
Closing balance of the present value of defined benefit obligation	**1,170,529**	–

g) Principal actuarial assumptions at the Balance Sheet date:

Particulars	As at March 31, 2017	As at March 31, 2016
1) Discount rate	**6.95%**	*7.80%*
2) Salary growth rate	**6.00%**	*6.00%*
3) Attrition rate	**3% to 15% based on the age band**	*3% to 15% based on the age band*

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

Particulars	As at March 31, 2017	
	Change	**Obligation**
i) Discount rate	+0.5%	1,895,727
	-0.5%	2,044,404
ii) Salary growth rate	+0.5%	2,036,018
	-0.5%	1,903,139

i) The major categories of plan assets as a percentage of the total plan assets are as follows :

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

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

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

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

The Company is engaged in the business of construction, operation and maintenance of Toll road projects on Design, Build, Finance, Operate and Transfer (DBFOT) basis in a single business segment. Hence, reporting on primary segment does not arise. Further, the entire operations of the Company are only in India. Hence, disclosure of secondary / geographical segment information does not arise.

NOTES TO FINANCIAL STATEMENTS (Contd.)

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

a) List of related parties

Ultimate Holding Company : Larsen & Toubro Limited

Holding Company : L&T Infrastructure Development Projects Limited

Fellow Subsidiaries : L&T General Insurance Company Limited
L&T Sambalpur Rourkela Tollway Limited
L&T Ahemadabad -Maliya Tollway Limited
L&T Transportation Infrastructure Limited
L&T Chennai Tada Tollway Limited
PNG Tollways Ltd
Krishnagiri Thopur Tollroad Limited
L&T BPP Tollway Limited

Key managerial personnel : V.Durairaj
Ch. Arvind Krishna #
B.V.Srinivas ##

b) Disclosure of related party transactions:

Particulars	2016-17	2015-16
	₹	₹
1) Purchase of goods and services		
• Larsen & Toubro Limited	**214,993,478**	*5,242,637*
• L&T Infrastructure Development Projects Limited	**35,804,770**	*27,708,285*
• L&T General Insurance Company Limited	**–**	*6,010,260*
• L&T Chennai Tada Tollway Limited	**896,893**	–
	251,695,141	*38,961,182*
2) Reimbursement of expenses to		
• Larsen & Toubro Limited	**–**	*17,568*
• L&T Infrastructure Development Projects Limited	**–**	*1,125,121*
• L&T BPP Tollway Limited	**–**	*64,384*
• L&T Chennai Tada Tollway Limited	**–**	*202,488*
• L&T Sambalpur-Rourkela Tollway Limited	**107,140**	–
• L&T Ahemadabad -Maliya Tollway Limited	**–**	*55,886*
• Krishnagiri Thopur Tollroad Limited	**–**	*7,500,000*
	107,140	*8,965,447*
3) Reimbursement of expenses from		
• Larsen & Toubro Limited	**1,669,776**	*1,315,132*
• Krishnagiri Thopur Tollroad Limited	**150,000**	–
• L&T Chennai Tada Tollway Limited	**112,500**	–
	1,932,276	*1,315,132*
4) Short term unsecured loan received		
• L&T Infrastructure Development Projects Limited	**–**	*30,000,000*
• L&T Transportation Infrastructure Limited	**–**	*15,000,000*
	–	*45,000,000*
5) Short term unsecured loan / Mezzanine Debt repaid		
• L&T Infrastructure Development Projects Limited	**539,600,000**	–
• L&T Transportation Infrastructure Limited	**15,000,000**	–
	554,600,000	–
6) Interest expense on unsecured loan		
• L&T Infrastructure Development Projects Limited	**2,975,838**	*1,352,756*
• L&T Transportation Infrastructure Limited	**1,077,041**	*454,426*
	4,052,879	*1,807,182*
7) Receipt of refundable deposit received for directors' nomination		
• L&T Infrastructure Development Projects Limited	**100,000**	*100,000*
	100,000	*100,000*

NOTES TO FINANCIAL STATEMENTS (Contd.)

Particulars	2016-17	2015-16
	₹	₹
8) Insurance premium payment		
• L&T General Insurance Company Limited	–	3,593,783
	–	3,593,783
9) Purchase of fixed assets		
• L&T Chennai Tada Tollway Limited	**1,457,070**	–
• PNG Tollways Ltd	**1,250,322**	–
	2,707,392	–
10) Sale of fixed assets		
• L&T Sambalpur-Rourkela Tollway Limited	**–**	6,750
	–	6,750
11) Defect Liability Recovery		
• Larsen & Toubro Limited	**39,911,114**	–
	39,911,114	–
12) Reduction in Scope Receivable		
• Larsen & Toubro Limited	**309,000,000**	–
	309,000,000	–
13) Key Managerial Personnel		
Payment of Salaries / Perquisites		
• V.Durairaj - Manager (appointed effective 1st Oct 2016)	**782,919**	1,149,100
• Ch. Arvind Krishna - Chief Financial Officer #	632,050	1,004,932
	1,414,969	2,154,032

upto the close of working hours of 23rd July 2016.

wef. 18th January 2017.

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

(Amount in ₹)

Particulars	Amounts due (to) / from	Amounts due (to) / from
	As at March 31, 2017	As at March 31, 2016
Ultimate Holding Company		
Larsen & Toubro Limited	**(19,915,469)**	128,110,386
Holding Company		
L&T Infrastructure Development Projects Limited	**59,951,071**	582,201,644
Fellow subsidiaries		
L&T Chennai Tada Tollway Limited	**2,353,963**	–
L&T Transportation Infrastructure Limited	**–**	15,408,983

d) Terms and conditions of transactions with related parties

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

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

f) Compensation of Key Management personnel of the entity

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Short term employee benefits	**1,414,969**	2,154,032

7) 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. Lease rental expenses for the year is ₹3,18,003/- (previous year: ₹ 1,32,000/-).

NOTES TO FINANCIAL STATEMENTS (Contd.)

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

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

Particulars		2016-17	*2015-16*
		₹	₹
Basic and Diluted			
Profit after tax as per accounts (₹)	A	(253,429,204)	5,959,011
Weighted average number of shares outstanding	B	90,000,000	90,000,000
Basic and Diluted EPS (₹)	A / B	–2.82	0.07
Face value per equity share (₹)		10.00	*10.00*

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

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

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

a) Nature of provisions:

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.

b) Movement in provisions: - Major maintenance provision

Particulars	2016-17	*2015-16*
Opening balance	**190,778,870**	*72,217,930*
Additional provision	**145,585,530**	*110,800,000*
Utilised	–	
Unused amounts reversed	–	
Unwinding of discount and changes in discount rate	**19,260,270**	*7,760,940*
Total (Closing balance)	**355,624,670**	*190,778,870*

c) Contingent Liabilities :

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

11) Disclosure as per Ind AS 1 - "Presentation of Financial Statements"

For the purpose of the company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the shareholder value.

12) First time adoption of Ind AS

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

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

13 Transitional details

i) Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised over the tenure of the loan / capitalised as part of toll collection right and amortized over the concession period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss / capitalised as part of toll collection right using the effective interest method. Accordingly borrowings as at 31st March 2015 have been reduced by ₹ 67,36,008/- with consequent decapitalisation from Toll collection rights.

NOTES TO FINANCIAL STATEMENTS (Contd.)

ii) Provisions

Under Indian GAAP, the Company has accounted for provisions, including periodic major maintenance provision, at the undiscounted amount. In contrast, Ind AS 37 requires that where the effect of time value of money is material, the amount of provision should be the present value of the expenditures expected to be required to settle the obligation. Ind AS 37 also provides that where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as borrowing cost. This led to a decrease in periodic major maintenance provision on 1st April 2015 and 31st March 2016 by ₹ 6,52,82,070/- and ₹ 13,71,21,130/- respectively, which was adjusted against retained earnings and Statement of Profit and Loss for the same amount.

iii) Mezzanine Debt

The Company received interest free loan in the nature of promoters' contribution from the Holding Company under the Common Loan Agreement entered with the Project Lenders. As per the terms of the agreement, such interest-free loan was repayable after the lenders are paid in full, hence it was classified as "Promoters' Mezzanine Debt" and disclosed under Long term borrowings from related parties. For transition to IndAS, since the Company does not have an unconditional right to not deliver cash or other financial asset to settle the obligation, the interest-free Mezzanine debt is fair valued on initial recognition. The difference between the amount received and fair value on initial recognition is recognised as "Equity Component of Other Financial Instruments" and included as part of "Other equity". Consequently, interest free mezzanine debt is reduced by ₹ 42,31,30,019/- by a corresponding adjustment to "Equity Component of Other Financial Instruments".

iv) Current investments

Under the previous GAAP, investment in mutual funds were classified as current investments based on the intended holding period. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments in mutual funds are marked to market at each reporting date. The difference between the fair value and the carrying amount is recognized in the statement of profit and loss. The amount recognized in retained earnings as on 31st March 2015 is ₹ 8,732 and the amount recognized in the Statement of profit and loss as on 31st March 2016 is ₹ 3,60,747/-.

14) Financial Instruments

Disclosure of Financial Instruments by Category

Financial instruments by categories	Note no.	31.03.2017			31.03.2016			01.04.2015		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial asset										
Loans & advances	5	–	–	339,772	–	–	266,022	–	–	566,022
Investments	7	12,408,412.00	–	–	48,384,546.00	–	–	16,253,729	–	–
Cash and cash equivalents	8	–	–	17,364,875	–	–	10,871,427	–	–	17,485,630
Others	5			46,413,820						
Total Financial Asset		12,408,412.00	–	64,118,467	48,384,546	–	11,137,449	16,253,729	–	18,051,652
Financial liability										
Term Loan from Banks & others	11	–	–	7,677,551,627	–	–	7,379,834,414	–	–	7,497,552,895
Loans from related parties	11	–	–	40,100,000	–	–	227,440,167	–	–	165,438,748
Revenue Share Payable to NHAI	12	–	–	15,173,988	–	–	13,775,311	–	–	11,408,867
Other Current Financial Liabilities	12			19,645,925			139,910,767			141,561,813
Trade Payables	15	–	–	28,224,789	–	–	3,511,389	–	–	17,469,847
Total Financial Liabilities		–	–	7,780,696,329	–	–	7,764,472,048	–	–	7,833,432,170

Default and breaches

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

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

NOTES TO FINANCIAL STATEMENTS (Contd.)

15) Fair value of Financial asset and liabilities at amortized cost

Particular	Note no.	As at March 31, 2017		*As at March 31, 2016*		*As at April 01, 2015*	
		Carrying amount	Fair value	*Carrying amount*	*Fair value*	*Carrying amount*	*Fair value*
Financial Assets							
Loans & advances	5	**339,772**	**339,772**	*266,022*	*266,022*	*566,022*	*566,022*
Cash and cash equivalents	8	**17,364,875**	**17,364,875**	*10,871,427*	*10,871,427*	*17,485,630*	*17,485,630*
Others	5	**46,413,820**	**46,413,820**	–	–	–	–
Total Financial Assets		**64,118,467**	**64,118,467**	*11,137,449*	*11,137,449*	*18,051,652*	*18,051,652*
Financial liability							
Term Loan from Banks & others	11	**7,677,551,627**	**7,677,551,627**	*7,379,834,414*	*7,379,834,414*	*7,497,552,895*	*7,497,552,895*
Loans from related parties	11	**40,100,000**	**40,100,000**	*227,440,167*	*227,440,167*	*165,438,748*	*165,438,748*
Revenue Share Payable to NHAI	12	**15,173,988**	**15,173,988**	*13,775,311*	*13,775,311*	*11,408,867*	*11,408,867*
Other Current Financial Liabilities	12	**19,645,925**	**19,645,925**	*139,910,767*	*139,910,767*	*141,561,813*	*141,561,813*
Trade Payables	15	**28,224,789**	**28,224,789**	*3,511,389*	*3,511,389*	*17,469,847*	*17,469,847*
Total Financial Liabilities		**7,780,696,329**	**7,780,696,329**	*7,764,472,048*	*7,764,472,048*	*7,833,432,170*	*7,833,432,170*

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

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

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

The carrying value of Revenue Share Payable to NHAI reasonably approximates its fair value, hence their carrying value is considered to be same as their fair value.

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

16) Fair Value Measurement

Fair Value Measurement of Financial asset and Financial liabilities

Fair value hierarchy

As at March 31, 2017

Financial Asset & Liabilities Measured at FV - Recurring FVM	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL					
Investments in Mutual Funds	7	12,408,412	–	–	12,408,412
Total of Financial Assets		**12,408,412**	**–**	**–**	**12,408,412**
Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed	**Note No.**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Loans & advances	5	–	339,772	–	339,772
Total of Financial Assets		**–**	**339,772**	**–**	**339,772**
Financial Liabilities					
Term Loan from Banks	11	–	7,677,551,627	–	7,677,551,627
Loans from related parties	11	–	40,100,000	–	40,100,000
Revenue Share Payable to NHAI (Including Interest)	12	–	15,173,988	–	15,173,988
Other Current Financial Liabilities	12	–	19,645,925	–	19,645,925
Trade Payables	15	–	28,224,789	–	28,224,789
Total Financial liabilities		**–**	**7,780,696,329**	**–**	**7,780,696,329**

As at March 31, 2016

Financial Asset & Liabilities Measured at FV - Recurring FVM	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL					
Investments in Mutual Funds	7	48,384,546	–	–	48,384,546
Total of Financial Assets		48,384,546	–	–	48,384,546

NOTES TO FINANCIAL STATEMENTS (Contd.)

Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed	Note No.	Level 1	Level 2	Level 3	Total
Financial Assets					
Loans & advances	5	–	266,022	–	266,022
Total Financial Assets		**–**	**266,022**	**–**	**266,022**
Financial Liabilities					
Term Loan from Banks	11	–	7,379,834,414	–	7,379,834,414
Loans from related parties	11	–	227,440,167	–	227,440,167
Revenue Share Payable to NHAI (Including Interest)	12	–	13,775,311	–	13,775,311
Other Current Financial Liabilities	12	–	139,910,767	–	139,910,767
Trade Payables	15	–	3,511,389	–	3,511,389
Total Financial Liabilities		**–**	**7,764,472,048**	**–**	**7,764,472,048**

As at April 1, 2015

Financial Asset & Liabilities Measured at FV - Recurring FVM	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL					
Investments in Mutual Funds	7	16,253,729	–	–	16,253,729
Total of Financial Assets		16,253,729	–	–	16,253,729
Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed	**Note No.**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Loans & advances	5	–	566,022	–	566,022
Total of Financial Assets		**–**	**566,022**	**–**	**566,022**
Financial Liabilities					
Term Loan from Banks	11	–	7,497,552,895	–	7,497,552,895
Loans from related parties	11	–	165,438,748	–	165,438,748
Revenue Share Payable to NHAI	12	–	11,408,867	–	11,408,867
Other Current Financial Liabilities	12	–	141,561,813	–	141,561,813
Trade Payables	15	–	17,469,847	–	17,469,847
Total of Financial Liabilities		**–**	**7,833,432,170**	**–**	**7,833,432,170**

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 & other loans and advances	Income	Cash flow
Financial liabilities		
Term Loan from Banks	Income	Effective rate of borrowing
Loans from Related parties	Income	Effective rate of borrowing
Revenue Share Payable to NHAI (Including Interest)	Income	Cash flow
Other financial liabilities	Income	Cash flow

NOTES TO FINANCIAL STATEMENTS (Contd.)

17 Asset pledged as security

Particulars	Note no	31.03.2017	31.03.2016	01.04.2015
Non Financial Asset				
Property, Plant & Equipment	1	**12,172,970**	*14,495,983*	*17,621,562*
Other Financial Asset	5	**89,000**	*84,000*	*84,000*
Financial Asset				
Cash and Cash Equivalents	8	**17,364,875**	*10,871,427*	*17,485,630*
Investments In Mutual Fund	7	**12,408,412**	*48,384,546*	*16,253,729*
Other Financial Asset	6	**46,664,592**	*182,022*	*482,022*
TOTAL		**88,699,849**	*74,017,978*	*51,926,943*

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 analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

Market risk

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

i Foreign Currency Risk

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

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

ii Interest rate risk

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

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

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

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

Particulars	31.03.2017	31.03.2016	01.04.2015
Senior Debt from Banks - Variable rate borrowings	**7,677,551,627**	*7,379,834,414*	*7,497,552,895*

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	18,821,733	18,596,734

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

iii Price risk

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

The company measures risk through sensitivity analysis.

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

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

Particulars	Note No.	31.03.2017	31.03.2016	01.04.2015
Investments in Mutual Funds	**7**	**12,408,412**	48,384,546	16,253,729

Sensitivity Analysis

NOTES TO FINANCIAL STATEMENTS (Contd.)

	Impact on profit/ loss after tax	
	31.03.2017	31.03.2016
Increase or decrease in NAV by 2%	248,168	967,691

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

iv **Liquidity risk**

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

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

The company measures risk by forecasting cash flows.

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

The following are the contractual maturities of financial liabilities

As at March 31, 2017	**Carrying Amount**	**upto 1 year**	**1 - 2 years**	**2 - 5 years**	**> 5 years**
Non Derivative Financial Liability					
Senior Debt from Banks	7,677,551,627	154,516,580	154,516,580	849,841,180	6,518,677,287
Trade Payables	28,224,789	28,224,789	–	–	–
Other financial liabilities	34,819,913	34,819,913	–	–	–
Derivative Financial Liability	**–**	**–**	**–**	**–**	**–**

As at March 31, 2016	**Carrying Amount**	**upto 1 year**	**1 - 2 years**	**2 - 5 years**	**> 5 years**
Non Derivative Financial Liability					
Senior Debt from Banks	7,379,834,414	217,920,000	890,520,000	2,281,200,000	3,990,194,414
Trade Payables	3,511,389	3,511,389	–	–	–
Other financial liabilities	153,686,078	153,686,078	–	–	–
Derivative Financial Liability	**–**	**–**	**–**	**–**	**–**

As at April 01, 2015	**Carrying Amount**	**upto 1 year**	**1 - 2 years**	**2 - 5 years**	**> 5 years**
Non Derivative Financial Liability					
Senior Debt from Banks	7,497,552,895	118,700,000	593,700,000	1,891,320,000	4,893,832,895
Trade Payables	17,469,847	17,469,847	–	–	–
Other financial liabilities	152,970,680	152,970,680	–	–	–
Derivative Financial Liability	**–**	**–**	**–**	**–**	**–**

v **Credit risk**

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

The company generally does not have trade receivables as collection of toll income coincide as and when the traffic passes through toll - plazas. The company has other receivables primarily from government authority i.e. NHAI. Hence, the management believes that the company is not exposed to any credit risk.

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

19.1 Description and classification of the arrangement

The Company has entered into Concession Agreement ('CA') with National Highways Authority of India dated May 13, 2010 for six laning of Krishnagiri-Walajapet section of NH-46 from km 0.00 to km 148.30 in the state of Tamilnadu under NHDP phase V as BOT (Toll) on DBFO pattern. The Concession Period is of 30. The Company obtained provisional completion certificate on 16th Feb 2016 from the NHAI. As per the CA, the company is entitled to charge users of the public service, hence the service arrangement has been classified as Intangible Asset.

19.2 Significant Terms of the arrangements

19.2.1 Revision of Fees:

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

19.2.2 Concession Fee, Other Fees and Excess Revenue Sharing:

As per Article 26 of the Concession Agreement, the company is liable to pay Concession Fee Re 1 every year. The company is also liable of payment of Additional Concession Fee at the rate of 9.01% of total realisable fee. The rate of additional concession fee increases by 1% for each subsequent period of concession.

NOTES TO FINANCIAL STATEMENTS (Contd.)

19.3 Rights of the Company for use Project Highway

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

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

19.4 Obligation of the Company

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

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

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

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

19.6 Details of Termination

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

20 Specified bank notes

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

Particulars	SBNs	Other Denomination notes	Total
Closing Cash in hand as on 08/11/2016	322,000	3,678,000	4,000,000
(+) Permitted receipts	10,785,000	77,354,261	88,139,261
(-) Amount deposited in Banks	11,107,000	73,678,771	84,785,771
Closing cash in hand as on 30/12/2016	–	7,353,490	7,353,490

I. SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of preparation

(a) Compliance with IndAS

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

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

These financial statements are the first financial statements of the Company under IndAS. Refer H (12) and H (13) for an explanation on how the transition from previous GAAP to IndAS has affected the Company’s financial position, financial performance and cash flows.

(b) Basis of measurement

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

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

(c) Use of estimates and judgements

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

NOTES TO FINANCIAL STATEMENTS (Contd.)

(d) Measurement of fair values

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

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

2 Presentation of financial statements

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

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

3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

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) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate.

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

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

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

4 Cash and bank balances

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

5 Cash flow statement

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

(a) transactions of a non-cash nature;

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

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

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

6 Property, plant and equipment (PPE)

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Properties in the course for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes expenditure that is directly attributable and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting

NOTES TO FINANCIAL STATEMENTS (Contd.)

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 as per management evaluation are as follows:

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

7 Amortisation of intangible assets

Toll collection rights in respect of road projects are amortized over the period of concession using the revenue based amortisation method prescribed under Schedule II to the Companies Act, 2013. Under the revenue based method, amortisation is provided based on proportion of actual revenue earned till the end of the year to the total projected revenue from the intangible asset expected to be earned over the concession period. Total projected revenue is reviewed at the end of each financial year and is adjusted to reflect the changes in earlier estimate vis-a-vis the actual revenue earned till the end of the year so that the whole of the cost of the intangible asset is amortised over the concession period.

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

8 Exceptional items

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

9 Intangible assets

a) Rights under Service Concession Arrangements

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

NOTES TO FINANCIAL STATEMENTS (Contd.)

Toll Projects (Right to charge users)

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

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

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

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

b) Other intangible assets

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

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

10 Foreign currency transactions and translations

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

b) 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 :

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

c) Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

11 Investments

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

12 Employee benefits

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

(i) Short term employee benefits

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

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

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

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

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

(ii) Post employment benefits

(a) Defined contribution plans:

The 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 are the 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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

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

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

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

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

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

(iii) Other long term employee benefits:

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

(iv) Termination benefits

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

13 Borrowing costs

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

14 Leases

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

Finance leases:

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

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

Operating leases:

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

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

15 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive

NOTES TO FINANCIAL STATEMENTS (Contd.)

potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

16 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.

17 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.

18 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 recongsied 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.

19 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

NOTES TO FINANCIAL STATEMENTS (Contd.)

attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

a) Financial Assets

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

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

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

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (unless the same are designated as fair value through profit or loss)

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

Debt instruments at FVTPL is a residual category for debt instruments and all changes are recognised in profit or loss.

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

Interest income, dividend income and exchange difference (on debt instrument) on FVTOCI debt instruments is recognised in profit or loss and other changes in fair value are recognised in OCI and accumulated in other equity. On disposal of debt instruments FVTOCI the cumulative gain or loss previously accumulated in other equity is reclassified to profit & loss. However in case of equity instruments at FVTOCI cumulative gain or loss is not reclassified to profit & loss on disposal of investments.

A financial asset is primarily derecognised when:

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

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

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

b) Financial Liabilities

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

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

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

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

20 Insurance claims

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

21 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.

22 Claims

Claims against the Company not acknowledged as debts are disclosed under contingent liabilities. Claims made by the company are recognised as and when the same is approved by the respective authorities with whom the claim is lodged.

NOTES TO FINANCIAL STATEMENTS (Contd.)

23 First time adoption of Ind AS

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

1. The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 01 April 2015 (transition date).
2. The Company has opted to continue with the carrying value for all of its PPE & investment property as recognised in its previous GAAP financial as deemed cost at the transition date. “
3. The company has assessed all contracts and arrangements for embedded leases based on conditions in place as at the date of transition.
4. The estimates as at 01 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with the Indian GAAP.

24 Commitments

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

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

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

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

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

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

As per our report of even date

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

S. POOSAIDURAI
Partner
Membership No. 223754

Place : Chennai
Date : April 24, 2017

For and on behalf of the Board

T. S. VENKATESAN
Director
DIN : 01443165

ESTHER MALINI
Director
DIN : 07124748

Place : Chennai
Date : April 24, 2017