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(IND AS)

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

Description	2016-17 ₹ in crore	*2015-16* *₹ in crore*
Profit before depreciation, exceptional and extra ordinary items & Tax	**12.56**	*9.89*
Less: Depreciation, amortization and obsolescence	**–**	*–*
Profit / (loss) before exceptional and extraordinary items and tax	**12.56**	*9.89*
Profit /(loss) before tax	**12.56**	*9.89*
Less: Provision for tax	**3.92**	*0.23*
Profit / (loss) after tax from continuing operations	**8.64**	*9.66*
Profit / (loss) after tax for the year carried to the balance sheet	**8.64**	*9.66*
Add: Balance brought forward from previous year	**29.07**	*29.28*
Balance available for disposal	**37.71**	*39.03*
Debenture Redemption Reserve	**8.64**	*9.87*
Balance carried to Balance Sheet	**29.07**	*29.07*

RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

The gross revenue (toll revenue) and other income for the financial year under review were ₹ 54.75 crore as against ₹ 55.03 crore for the previous financial year registering an decreasing of 0.51%. The profit before tax from continuing operations including extraordinary and exceptional items was ₹ 12.57 crore and the profit after tax from continuing operations including extraordinary and exceptional items of ₹ 8.65 crore for the financial year under review as against ₹ 9.90 crore and ₹ 9.67 respectively for the previous financial year, registering an increase of 26.97% and (10.55) % respectively.

CAPITAL & FINANCE

During the previous financial year 2014-2015, the Company had raised ₹409.40 crore by issue of Non-Convertible debentures primarily to refinance its debts including foreign currency loans.

During the financial year 2016-2017, the Company has redeemed Non-Convertible Debentures worth ₹ 68 crore.

CAPITAL EXPENDITURE

As at March 31, 2017 the gross fixed and intangible assets including leased Assets, and the net fixed and intangible assets, including leased assets were Nil. There were no Capital Expenditure incurred during the year.

DEPOSITS

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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

SUBSIDIARY/ASSOCIATE/JOINT VENTURE

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

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 Notes 1 & 3 of the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

AMOUNT TRANSFERRED TO RESERVES

The Company has transferred ₹ 8.64 crore is transferred to Debenture Redemption Reserve.

DIVIDEND

The Company has not declared dividend for the year.

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

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

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS

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

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the Company had incurred ₹ 0.09 crore as foreign expenditure towards maintenance of toll equipment.

During the year, there were no foreign exchange earnings.

RISK MANAGEMENT POLICY

L&T Interstate Road Corridor Limited in its Meeting of the Audit Committee on 21st 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.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate Social Responsibility ("CSR") committee of directors comprising of Dr. Ashwin Mahalingam, Mr. Karthikeyan T.V and Mr. R.G. Ramachandran as the Members.

As per the provisions of Section 135 of the Act, the amount of expenditure recommended by the CSR Committee was ₹5,00,000/- towards specific CSR activities on various programs on enhancing the sustainable mode to ensure maximum benefit to the community for financial year 2015-16. However, since the Company was looking into the avenues for spending, it could not spend during 2015-16. The unspent amount was carried forward for the financial year 2016-17 and the same was spent in the manner given in the table below. The CSR spending for the financial year 2016-17 is not applicable since the average net profits of previous three financial years is negative.

DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2016-2017

(Amount in ₹)

Sr. no	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programs 1) Local area or other 2) specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project / program wise	Amount spent (Direct / implementing agency)
1	Adopting a village adjoining a project Highway for developing greenery under the State government's Haritha Harani Program.	Environment	Sakapur	200,000	200,000
2	1. Conduct Eye Camp & Distribution of Spectacles	Medical	Kurinji Nagar		
	2. Construction of Toilet Blocks at Govt. Hr.Sec. Schools	Education	Ellakiyampatti		
	3. Provide Water purifiers at Govt. Hr. Sec.Schools	Education	Gettupatti, Nallampalli Tk	300,000	300,000
		Education	Bandarhalli, Karimangalam		
		Education	Karimangalam		
	TOTAL			**500,000**	**500,000**

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

Changes in Directors and KMP

Mr. P.G.Suresh Kumar and Mr. R.G.Ramachandran who were appointed as Additional Directors, were appointed as Directors in the Annual General Meeting held on September 28, 2016.

Mr. Karthikeyan T.V who has been appointed as Additional Director of the Company on 14th July 2016, holds office upto the conclusion of the ensuing Annual General Meeting. He was appointed as Director of the Company in the Annual General Meeting of the Company held on September 28, 2016.

Dr.Esther Malini resigned as Director of the Company with effect from 01st August 2016.

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

Sr. No.	Name	Designation	DIN
1	Mr. Karthikeyan T.V	Director	01367727
2	Mr.P.G.Suresh Kumar	Additional Director	07124883
3	Mr.R.G.Ramachandran	Additional Director	02671982
4	Dr. Ashwin Mahalingam	Independent Director	05126953
5	Mrs. Samyuktha Surendran	Independent Director	07138327

Mr. G.V. Vinoth Kumar resigned as Chief Financial Officer of the Company with effect from May 30, 2016.

Ms. Ramya S resigned as Company Secretary of the Company with effect from July 26, 2017.

Ms. Shivangi Khetrapal was appointed as Chief Fiancial Officer of the Company with effect from July 14, 2016.

Mr. Elangovan S was appointed as Manager of the Company with effect from October 18, 2016. He subsequently resigned as Manager with effect from March 15, 2017.

Mr. N.C.Joshi was appointed as Manager of the Company with effect from March 15, 2017.

Ms. Niveditha B was appointed as Company Secretary of the Company with effect from January 17, 2017.

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

Sr. No.	Name	Designation	Date of Appointment
1	Mr. N.C.Joshi	Manager	15/03/2017
2	Ms. Shivangi Khetrapal	Chief Financial Officer	14/07/2016
3	Ms. Niveditha B	Company Secretary	17/01/2017

NUMBER OF MEETING OF THE BOARD OF DIRECTORS

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

During the year under review 5 meetings were held. The details of the Board meetings conducted during the year under review are given below:

Date	Board Strength	No of Directors Present
April 29, 2016	5	4
July 14, 2016	5	2
October 18, 2016	5	4
January 17, 2017	5	5
March 15, 2017	5	4

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

INFORMATION TO THE BOARD

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

- Annual revenue budgets and capital expenditure plans
- Quarterly financials and results of operations
- Financing plans of the Company
- Minutes of the meeting of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee
- Report on fatal or serious accidents
- Any materially relevant default, if any, in financial obligations to and by the Company

- Any issue which involves possible pubic or product liability claims of substantial nature, including any Judgement or Order, if any, which may have strictures on the conduct of the Company
- Development in respect of human resources
- Compliance or non-compliance of any regulatory, statutory nature or listing requirements and investor service
- An Action Taken Report is presented to the Board

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

AUDIT COMMITTEE

The Company has constituted an Audit Committee in terms of the requirements of the Act. The Members of the Audit Committee are Mr. R.G.Ramachandran, Dr. Ashwin Mahalingam and Mrs. Samyuktha Surendran.

During the year under review, 5 meetings were held. The details of the meetings conducted during the year under review are given below:

Date	Strength of the Committee	No. of members present
April 29, 2016	3	3
July 14, 2016	3	2
October 18, 2016	3	3
January 17, 2017	3	3
March 15, 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 was the co-ordinator for the Vigil Mechanism and responsible for receiving, validating, investigating and reporting to the Audit Committee during the year.

The Whistle Blower Policy of the Company meets the requirement of the Vigil Mechanism framework under the 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. Esther Malini, Dr. Ashwin Mahalingam and Mrs. Samyuktha Surendran.

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

Date	Strength of the Committee	No. of members present
July 14, 2016	3	2
October 18, 2016	3	2
January 17, 2017	3	3
March 15, 2017	3	3

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

DECLARATION OF INDEPENDENCE

The Company has received a Declaration of Independence as stipulated under Section 149(7) of the 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 to this Report as Annexure II.

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 statement and the said system is operating effectively.

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

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

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

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

The Independent Directors Meeting was proposed to be held during December 2016. However, due to non-availability of Independent Directors, the Meeting could not be scheduled. The Independent Directors at the meeting held on March 15, 2017, reviewed the performance of Board, Committees, and Non-Executive Directors. The performance evaluation of the Board, Committees and Directors was also reviewed by the Nomination and Remuneration Committee and the Board of Directors.

DISCLOSURE OF REMUNERATION

The Board of Directors wish to express their appreciation to all the employees for their outstanding contribution to the operations of the Company during the year. The information required under Section 197(12) of the Act and the Rules made thereunder, is provided below.

The Directors of the Company are not paid any remuneration. Hence, the remuneration of the Directors to that of the employees of the Company is not comparable.

REMUNERATION OF KMP

(Amount in ₹)

Name of the KMP	Designation	Remuneration in FY 2016-17	Remuneration in FY 2015-16	% decrease in remuneration of FY 2016-17 as compared to previous financial year	Performance of the Company	
					% increase in revenue of FY 2016-17 as compared to previous financial year	% decrease in profit after tax of FY 2016-17 as compared to previous financial year
Mr. N.C. Joshi (from March 15, 2017)	Manager	₹ 234,622/-**	NA*	NA*	Nil#	Nil#
Ms. Shivangi Khetrapal	Chief Financial Officer	Nil	Nil	Nil		
Ms. Niveditha B.	Company Secretary	Nil	Nil	Nil		

Since it is an annuity project, revenue is stable till the end of concession period.

* Mr. N.C.Joshi was appointed as Manager only on March 15, 2017. Hence previous year remuneration not applicable.

** Remuneration from March 15, 2017 to March 31, 2017.

The Median Remuneration of Employees ("MRE") was ₹ 4,56,792/- and ₹ 4,63,711/- in the financial year 2016-17 and 2015-16 respectively. The decrease in MRE in the financial year 2016-17 over the previous financial year is 1.45%.

The number of permanent employees on the rolls of the Company as of March 31, 2017 and March 31, 2016 were 8.

The revenue growth during the financial year over the previous financial year was Nil. The average increase in remuneration of employees is 5% over the previous financial year. Hence the increase in remuneration of employees and KMP is not comparable with the performance of the Company.

Average percentage increase made in the salaries of employees other than the KMP in the financial year 2016-17 was 5%. The change in remuneration of Manager over the previous financial year is not comparable due to appointment of Mr. N.C. Joshi on March 15, 2017 as a Manager of the Company.

The remuneration paid to the employees is as per the remuneration policy of the Company.

The Company has no employee employed throughout the financial year who was in receipt of a remuneration of ₹ 102 lakhs or more, or employed for part of the year and was in receipt of a remuneration ₹ 8.5 lakh or more a month under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The following are the top ten employees in terms of remuneration:

Sr.No.	Employee Name	CTC
1	Naveen Chandra Joshi (for 2016-17)	2815467
2	M Muruga Perumal	819223
3	Sapan Kumar Das	692993
4	Mukesh Kumar Naraniya	473583
5	Prashant Jaiswal	440000
6	Kundan Kumar Gautam	386115
7	K Tejas Girish	376676
8	Joshi Hitendrakumar Bhanubhai	264591

COMPLIANCES WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

PROTECTION OF WOMEN AT WORKPLACE

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

M.K.Dandeker & Co, hold office until the conclusion of the ensuing Annual General Meeting ("AGM"). The Company in the Ninth Annual General Meeting held on 25th September 2015 for the F-Y 2015-16 had appointed M.K.Dandeker & Co, Chartered Accountants, (Firm Reg no: 000679S), Chennai as Statutory Auditors of the Company to hold office from the conclusion of that Annual General Meeting until the conclusion of the third consecutive Annual General Meeting of the Company to be held during the year 2017.

The Auditors' Report for the financial year 2016-17 is unqualified. The Notes to the accounts referred to in the Auditors' Report are self-explanatory and do not call for any further clarifications under section 134(3)(f) of the Companies Act, 2013.

SECRETARIAL AUDITORS

M/s. Alagar & Associates, a firm of Company Secretaries in practice, was appointed to conduct the secretarial audit of the Company for the financial year 2016-17, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for the financial year 2016-17 is attached as Annexure III to this Report and it does not contain any qualification, reservation or adverse remark.

DEBENTURE TRUSTEE

The Company has issued and allotted secured redeemable Non-convertible Debentures amounting to ₹ 409.40 crore during the year 2014-2015. As at March 31, 2017 the total outstanding Debentures were ₹ 269.33 crore. M/s. IDBI Trusteeship Services Limited, having their office at Asian Building, Ground Floor, 17, R.Kamani Marg, Ballard Estate, Mumbai - 400001 have been appointed as the Debenture Trustees for the same.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Place : Chennai
Date : April 24, 2017

KARTHIKEYAN T.V
Director
DIN: 01367727

R.G.RAMACHANDRAN
Director
DIN: 02671982

ANNEXURE I

FORM NO. AOC.2

FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARM'S LENGTH TRANSACTIONS UNDER THIRD PROVISO THERETO

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

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

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

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

Name of the related party	Nature of relationship	Nature of contract/ arrangement/ transactions	Duration of contract/ arrangement/ transactions	Salient terms of contract/ arrangement/ transactions	Amount paid as advance
The Company has not entered into material contracts or arrangements or transactions during the year.					

For and on behalf of the Board

Place : Chennai
Date : April 24, 2017

KARTHIKEYAN T.V
Director
DIN: 01367727

R.G.RAMACHANDRAN
Director
DIN: 02671982

ANNEXURE II

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

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

I. REGISTRATION AND OTHER DETAILS:

CIN	U45203TN2006PLC058735
Registration Date	02/02/2006
Name of the Company	L & T INTERSTATE ROAD CORRIDOR 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	Yes, Non-Convertible Debentures(NCDs) listed on BSE
Name, Address and Contact details of Registrar and Transfer Agent, if any	NSDL Database Management Limited * 4th Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013. Ph: 022 4914 2591

*NSDL Database Management Limited was appointed as Registrar and Share Transfer Agent at the Board of Directors Meeting held on July 13, 2016 and the services were transferred from Sharepro Services Limited w.e.f September 28, 2016.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held as on April 01, 2016				No. of Shares held as on March 31, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp	42298394	14861604*	57159998	99.99	42298394	14861604*	57159998	99.99	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other….	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	**42298394**	**14861604***	**57159998**	**99.99**	**42298394**	**14861604***	**57159998**	**99.99**	**–**
2) Foreign									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Other….	–	–	–	–	–	–	–	–	–
Sub-total (A) (2):-	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**169099996**	**4***	**169100000**	**100**	**169099996**	**4***	**169100000**	**100**	**–** **–**

Category of Shareholders	No. of Shares held as on April 01, 2016				No. of Shares held as on March 31, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2) Non-Institutions									
a) Bodies Corp	–	–	–	–	–	–	–	–	–
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2	–	2	0.01	2	–	2	0.01	–
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
C. Shares held by Custodian for GDRs & ADRs	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Grand Total (A+B+C)	**42298396**	**14861604***	**57160000**	**100**	**42298396**	**14861604***	**57160000**	**100**	**–**

*including shares held by nominees of L&T Infrastructure Development Projects Limited.

(ii) Shareholding of Promoters

Sl No	Shareholder's 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 Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	L&T Infrastructure Development Projects Limited(including nominees)	57159998	99.999%	26%	57159998	99.999%	26%	Nil
	Total	**57159998**	**99.999%**	**26%**	**57159998**	**99.999%**	**26%**	**Nil**

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

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	As on April 01, 2016	3	0.001	3	0.001
2	Date wise Increase / Decrease in Share holding during the year Increase due to appointment of Mr. Karthikeyan T.V as Director Decrease due to resignation of Dr. Esther Malini as Director	1 (increase) 1 (decrease)	0.001	1	0.001
3	As on March 31, 2017	3	0.001	3	0.001

V. INDEBTEDNESS

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

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year			
i) Principal Amount	3,293,809,876	–	3,293,809,876
ii) Interest due but not paid			
iii) Interest accrued but not due	363,047,857	–	363,047,857
Total (i+ii+iii)	**3,656,857,733**	–	**3,656,857,733**
Change in Indebtedness during the financial year			
Addition			
Reduction	393,850,687	–	393,850,687
Net Change	**(393,850,687)**	–	**(393,850,687)**
Indebtedness at the end of the financial year			
i) Principal Amount	2,693,373,310	–	2,693,373,310
ii) Interest due but not paid			
iii) Interest accrued but not due	569,633,736	–	569,633,736
Total (i+ii+iii)	**3,263,007,046**	–	**3,263,007,046**

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: Mr. N.C.Joshi (from March 15, 2017)	Total Amount
		Nil	
1.	Gross salary	₹ 234,622/-	₹ 234,622/-
	(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)	**₹ 234,622/-**	**₹ 234,622/-**
	Ceiling as per the Act		₹ 120,76,341/-

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
		Dr. Ashwin Mahalingam	Mrs. Samyuktha Surendran	
1	Independent Directors			
	Fee for attending board meeting	₹75,000/-	₹1,25,000/-	**₹2,00,000/-**
	Fee for attending committee meetings	₹50,000/-	₹90,000/-	**₹1,40,000/-**
	Commission	–	–	**–**
	Others	–	–	**–**
	Total (1)	**₹1,25,000**	**₹2,15,000/-**	**₹3,40,000/-**
2.	Other Non-Executive Directors 1. **Mr. P. G. Suresh Kumar** **2. Mr. R. G. Ramachandran** **3. Mr. Karthikeyan T.V.** No Fee for attending board / committee meetings and no commission			
	Total (2)	**Nil**		**Nil**
	Total (B)=(1+2)	**₹1,25,000**	**₹2,15,000/-**	**₹3,40,000/-**
	Total Managerial Remuneration	**NA**		
	Overall Ceiling as per the Act (sitting fees)	**Not more than ₹ 1,00,000/- per meeting of Board or Committee.**		

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

No remuneration was paid to KMP except Manager of the Company. Ms.Shivangi Ketrapal, CFO and Ms. Niveditha B, Company Secretary of the Company are employed by the Holding Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

Place : Chennai
Date : April 24, 2017

KARTHIKEYAN T.V	**R.G.RAMACHANDRAN**
Director	*Director*
DIN: 01367727	*DIN: 02671982*

ANNEXURE III

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 Interstate Road Corridor Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by L&T Interstate Road Corridor Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of 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 covering the financial year ended March 31, 2017 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended March 31, 2017 according to the provisions of:

(i) The Companies Act, 2013('Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(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, 2015 - 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 (Share Based Employee Benefits) Regulations, 2014 - Not Applicable;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - To the extent applicable to the company;

   (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) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') and notified as on date.

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

I report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check-basis. The list of labour and industrial laws covered under the internal compliance report by the company are as follows;

a) Electricity Rules,1956

b) Information Technology Act, 2000

c) Motor Vehicles Act, 1988

d) The Central Electricity Authority (Safety Requirements for Construction, Operation and Maintenance of Electrical Plants and Electric Lines) Regulation 2011

e) The Building and Other Construction Workers' (Regulation Of Employment And Conditions Of Service) Central Rules, 1998

f) The National Highways (Collection of Fees by any Person for the use of section of national highways/ Permanent Bridge/ Temporary Bridge on National Highways)Rules,1997

g) The Personal Injuries (Compensation) Insurance Act, 1963

h) The Prohibition Of Smoking In Public Places Rules, 2008

i) The Works of Licensees Rules, 2006

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Women Director. 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 to them 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.

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.

except Payment of Interest and redemption of Non convertible Debentures there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc, having major bearing on the Company's affairs.

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

For **M.Alagar & Associates**

Place: Chennai
Date : April 20, 2017

Sd/-

M. Alagar
FCS No: 7488
C P No.: 8196

ANNEXURE A

To,

The Members

1. Our report of even date is to be read along with this letter.
2. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
3. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **M.Alagar & Associates**

Place: Chennai
Date : April 20, 2017

Sd/-

M. Alagar
FCS No: 7488
C P No.: 8196

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF L&T INTERSTATE ROAD CORRIDOR LIMITED

REPORT ON THE IND AS FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of L&T INTERSTATE ROAD CORRIDOR 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 (10) to the Ind AS financial statements.

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

S. POOSAIDURAI
Partner
Membership No. 223754

Place : Chennai
Date : April 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 money’s raised by way of debt instruments and term loans were applied for the purposes for which those are raised.

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

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

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

13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

S. POOSAIDURAI
Partner
Membership No. 223754

Place : Chennai
Date : April 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 INTERSTATE ROAD CORRIDOR LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

S. POOSAIDURAI
Partner
Membership No. 223754

Place : Chennai
Date :April 24, 2017

BALANCE SHEET AS AT MARCH 31, 2017

	Notes No.	As at 31.03.2017 ₹	As at 31.03.2016 ₹	As at 01.04.2015 ₹
ASSETS				
(1) Non-current assets				
a) Financial Assets				
i) Loans	1	**2,498,040,457**	*2,965,977,531*	*3,382,718,986*
	A	**2,498,040,457**	*2,965,977,531*	*3,382,718,986*
(2) Current assets				
a) Financial Assets				
i) Investments	3	**1,236,780,543**	*752,073,202*	*884,426,848*
ii) Cash and bank balances	4	**76,737,890**	*466,695,333*	*310,924,661*
iii) Loans	1	**469,986,992**	*383,714,749*	*385,812,747*
b) Current Tax Assets (net)	2	**49,753,809**	*71,902,611*	*69,708,797*
c) Other current assets	2	**7,826,436**	*1,860,331*	*1,496,888*
	B	**1,841,085,670**	*1,676,246,226*	*1,652,369,941*
TOTAL	A+B	**4,339,126,127**	*4,642,223,757*	*5,035,088,927*
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share capital	5	**571,600,000**	*571,600,000*	*571,600,000*
b) Other Equity	6	**475,932,873**	*389,472,772*	*292,783,655*
	C	**1,047,532,873**	*961,072,772*	*864,383,655*
LIABILITIES				
(1) Non-current liabilities				
a) Financial liabilities				
i) Borrowings	7	**2,215,873,310**	*2,691,309,876*	*3,288,019,899*
ii) Other financial liabilities	8	**44,500**	*44,500*	*44,500*
b) Provisions	9	**2,254,632**	*840,554*	*997,535*
c) Deferred tax liabilities (net)		**–**	–	–
	D	**2,218,172,442**	*2,692,194,930*	*3,289,061,934*
(2) Current liabilities				
a) Financial liabilities				
i) Borrowings	7			
ii) Trade payables	11	**5,321,529**	*2,144,968*	*5,804,777*
iii) Other financial liabilities	8	**1,047,133,736**	*965,547,857*	*863,473,952*
b) Other current liabilities	10	**20,965,547**	*21,263,230*	*12,364,609*
c) Provisions	9	**–**	–	–
d) Current tax liabilities (net)	12			
	E	**1,073,420,812**	*988,956,055*	*881,643,338*
Total Equity and Liabilities	C+D+E	**4,339,126,127**	*4,642,223,757*	*5,035,088,927*
Contingent liabilities	F			
Commitments	G			
Other notes forming part of accounts	H			
Significant accounting policies	I			

As per our report attached

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

S. POOSAIDURAI
Partner
Membership No. 223754

Place : Chennai
Date : April 24, 2017

For and on behalf of the Board

NIVEDITHA B.
Company Secretary
M. No. A40759

SHIVANGI KETRAPAUL
Chief Financial Officer

R.G. RAMACHANDRAN
Director
DIN:02671982

P. G. SURESH KUMAR
Director
DIN: 07124883

Place : Chennai
Date : April 24, 2017

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

Particulars	Note	2016-17 ₹	2016-17 ₹	*2015-16* ₹	*2015-16* ₹
REVENUE					
Revenue from Operations	**13**		**480,485,252**		*478,387,253*
Other income	**14**		**67,004,872**		*71,951,615*
Total Revenue			**547,490,124**		*550,338,868*
EXPENSES					
Operating expenses	**15**		**84,379,365**		*85,696,327*
Employee benefit expenses	**16**		**7,027,576**		*5,685,295*
Finance costs	**17**		**291,889,620**		*330,543,407*
Administration and other expenses	**18**		**38,227,698**		*29,366,052*
Total Expenses			**421,524,259**		*451,291,081*
Profit/(loss) before tax			**125,965,865**		*99,047,787*
Tax Expense:					
Current tax		**26,825,192**		*2,309,787*	
Deferred tax		**12,409,090**		*–*	
			39,234,282		*2,309,787*
Profit/(loss) after tax for the year			**86,731,583**		*96,738,000*
Prior period adjustments			**–**		*–*
Profit for the year			**86,731,583**		*96,738,000*
Other Comprehensive Income					
Nature					
Income-tax effect					
i) Reclassifiable to profit or loss in subsequent periods					
ii) Not reclassifiable to profit or loss in subsequent periods			**(271,482)**		*(48,883)*
Total Comprehensive Income for the year			**86,460,101**		*96,689,117*
Earnings per equity share (Basic and Diluted)			**1.52**		*1.69*
Face value per equity share			**10.00**		*10.00*

As per our report attached

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

S. POOSAIDURAI
Partner
Membership No. 223754

Place : Chennai
Date : April 24, 2017

For and on behalf of the Board

NIVEDITHA B.
Company Secretary
M. No. A40759

SHIVANGI KETRAPAUL
Chief Financial Officer

R.G. RAMACHANDRAN
Director
DIN:02671982

P. G. SURESH KUMAR
Director
DIN: 07124883

Place : Chennai
Date : April 24, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

		2016-17 ₹	2015-16 ₹
A	**Net profit / (loss) before tax and extraordinary items**	**125,965,865**	*99,047,787*
	Adjustment for		
	Depreciation and amortisation expense	**–**	*–*
	Interest expense	**291,889,620**	*330,543,407*
	Interest income	**(6,005,914)**	*(28,501,341)*
	(Profit)/loss on sale of current investments(net)	**(23,041,556)**	*(14,771,319)*
	(Profit)/loss on sale of fixed assets	**(35,665,784)**	*(22,086,457)*
	Other comprehensive income	**(271,482)**	*(48,883)*
	Operating profit before working capital changes	**352,870,749**	*364,183,194*
	Adjustments for:		
	Increase / (Decrease) in long term provisions	**1,414,078**	*(156,981)*
	Increase / (Decrease) in trade payables	**3,176,561**	*(3,659,809)*
	Increase / (Decrease) in other current liabilitites	**(297,683)**	*8,898,621*
	(Increase) / Decrease in loan term loans and advances	**467,937,075**	*416,741,454*
	(Increase) / Decrease in short term loans and advances	**(86,272,244)**	*2,097,999*
	(Increase) / Decrease in other current assets	**(5,966,105)**	*(363,443)*
	Interest income received	**6,005,914**	*28,501,341*
	Interest paid	**(83,240,305)**	*(35,179,525)*
	Net cash generated from/(used in) operating activities	**655,628,040**	*781,062,851*
	Direct taxes paid (net of refunds)	**(17,085,482)**	*(4,503,601)*
	Net Cash(used in)/generated from Operating Activities	**638,542,558**	*776,559,250*
B	**Cash flow from investing activities**		
	Sale of fixed assets	**35,665,784**	*22,086,457*
	(Purchase)/Sale of current investments	**(461,665,785)**	*147,124,965*
	Net cash (used in)/generated from investing activities	**(426,000,001)**	*169,211,422*
C	**Cash flow from financing activities**		
	Repayment of long term borrowings	**(602,500,000)**	*(790,000,000)*
	Net cash (used in)/generated from financing activities	**(602,500,000)**	*(790,000,000)*
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(389,957,443)**	*155,770,672*
	Cash and cash equivalents as at the beginning of the year	**466,695,333**	*310,924,661*
	Cash and cash equivalents as at the end of the year	**76,737,890**	*466,695,333*

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.

Particulars	**March 31, 2017** ₹	*March 31, 2016* ₹
Balances with banks:		
- on current account	**1,578,185**	*103,658,799*
- on Fixed Deposits with less than 3 months maturity	**75,040,727**	*309,025,534*
- Margin money deposit against bank guarantee issued	**118,978**	*54,011,000*
Cash in hand and transit	**–**	*–*
	76,737,890	*466,695,333*

As per our report attached

For and on behalf of the Board

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

S. POOSAIDURAI
Partner
Membership No. 223754

NIVEDITHA B.
Company Secretary
M. No. A40759

SHIVANGI KETRAPAUL
Chief Financial Officer

R.G. RAMACHANDRAN
Director
DIN:02671982

P. G. SURESH KUMAR
Director
DIN: 07124883

Place : Chennai
Date : April 24, 2017

Place : Chennai
Date : April 24, 2017

NOTES FORMING PART OF ACCOUNTS

1) LOANS

Particulars	31.03.2017			*31.03.2016*			*01.04.2015*		
	Current ₹	**Non-current ₹**	**Total ₹**	*Current ₹*	*Non-current ₹*	*Total ₹*	*Current ₹*	*Non-current ₹*	*Total ₹*
a) Security deposits									
Unsecured, considered good	**34,750**	**2,264,724**	**2,299,474**	–	*2,222,724*	*2,222,724*	–	*1,827,826*	*1,827,826*
b) Loans to related parties									
Unsecured, considered good	–	–	–	–	–	–	–	–	–
Inter-corporate deposit	–	–	–	–	–	–	–	–	–
c) Other loans(specify nature)	**469,952,242**	**2,495,775,733**	**2,965,727,975**	*383,714,749*	*2,963,754,807*	*3,347,469,556*	*385,812,747*	*3,380,891,160*	*3,766,703,907*
	469,986,992	**2,498,040,457**	**2,968,027,449**	*383,714,749*	*2,965,977,531*	*3,349,692,280*	*385,812,747*	*3,382,718,986*	*3,768,531,733*
Break up of financial assets carried at amortized cost									
Loans	**469,952,242**	**2,495,775,733**	**2,965,727,975**	*383,714,749*	*2,963,754,807*	*3,347,469,556*	*385,812,747*	*3,380,891,160*	*3,766,703,907*
Trade receivables (Note no 8)									
Cash and cash equivalents (Note no 9)	**76,737,890**	–	**76,737,890**	*466,695,333*	–	*466,695,333*	*310,924,661*	*0*	*310,924,661*
Total financial assets carried at amortized cost	**546,690,132**	**2,495,775,733**	**3,042,465,865**	*850,410,082*	*2,963,754,807*	*3,814,164,889*	*696,737,408*	*3,380,891,160*	*4,077,628,568*

2) OTHER NON-CURRENT AND CURRENT ASSETS

Particulars	31.03.2017			*31.03.2016*			*01.04.2015*		
	Current ₹	**Non-current ₹**	**Total ₹**	*Current ₹*	*Non-current ₹*	*Total ₹*	*Current ₹*	*Non-current ₹*	*Total ₹*
Advances other than capital advances									
Advances to related parties	–	–	–	–	–	–	–	–	–
Advances to employees	–	–	–	*90,095*	–	*90,095*	–	–	–
Other advances	**6,504,625**	–	**6,504,625**	*743,179*	–	*743,179*	*553,590*	–	*553,590*
Advance recoverable other than in cash									
Prepaid Insurance	**971,877**	–	**971,877**	*753,164*	–	*753,164*	*739,059*	–	*739,059*
Prepaid expenses	**250,918**	–	**250,918**	*179,650*	–	*179,650*	*179,239*	–	*179,239*
VAT recoverable	**99,016**	–	**99,016**	*94,243*	–	*94,243*	*25,000*	–	*25,000*
Income tax net of previous year provisions	–		–	–		–	–		–
	7,826,436	–	**7,826,436**	*1,860,331*	–	*1,860,331*	*1,496,888*	–	*1,496,888*
Income tax									
Income tax net of provisions	**127,858,597**		**127,858,597**	*150,007,397*		*150,007,397*	*147,813,583*		*147,813,583*
	127,858,597	–	**127,858,597**	*150,007,397*	–	*150,007,397*	*147,813,583*	–	*147,813,583*

3) INVESTMENTS

Particulars	**As at 31.03.2017**		*As at 31.03.2016*		*As at 01.04.2015*	
	Quantity Units	**Current ₹**	*Quantity Units*	*Current ₹*	*Quantity Units*	*Current ₹*
Investments at fair value through Profit and loss						
Investments in mutual funds		**1,236,780,543**		*752,073,202*		*231,493,322*
Investment in Commercial paper		**–**		*–*		*652,933,526*
		1,236,780,543		*752,073,202*		*884,426,848*

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

NOTES FORMING PART OF ACCOUNTS (Contd.)

4) CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹	As at 01.04.2015 ₹
a) Balances with banks	1,578,185	103,658,799	153,096,644
b) Cheques on hand	–	–	–
c) Cash on hand	–	–	10,728
d) Fixed deposits with banks including interest accrued thereon	75,159,705	363,036,534	157,817,289
e) Others			
Less : Bank overdraft			
	76,737,890	466,695,333	310,924,661

5 SHARE CAPITAL

(i) Authorised, issued, subscribed and paid up

Particulars	As at 31.03.2017 No. of shares	As at 31.03.2017 ₹	As at 31.03.2016 No. of shares	As at 31.03.2016 ₹	As at 01.04.2015 No. of shares	As at 01.04.2015 ₹
Authorised:						
Equity shares of ₹ 10 each	58,000,000	580,000,000	58,000,000	580,000,000	58,000,000	580,000,000
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each	57,160,000	571,600,000	57,160,000	571,600,000	57,160,000	571,600,000

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

Particulars	As at 31.03.2017 No. of shares	As at 31.03.2017 ₹	As at 31.03.2016 No. of shares	As at 31.03.2016 ₹	As at 01.04.2015 No. of shares	As at 01.04.2015 ₹
At the beginning of the year	57,160,000	571,600,000	57,160,000	571,600,000	57,160,000	571,600,000
Issued during the year as fully paid		–		–	–	–
Others	–	–		–	–	–
At the end of the year	57,160,000	571,600,000	57,160,000	571,600,000	57,160,000	571,600,000

(iii) Terms / rights attached to shares

Equity shares

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

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

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

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

No dividend is declared by Board of Directors for the year ended 31st March , 2016. (Previous year - ₹ Nil)

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

Particulars	As at 31.03.2017 No. of shares	As at 31.03.2017 ₹	As at 31.03.2016 No. of shares	As at 31.03.2016 ₹	As at 01.04.2015 No. of shares	As at 01.04.2015 ₹
L&T Infrastructure Development Projects Limited (including nominee holding)	57,159,998	571,599,980	57,159,998	571,599,980	57,159,998	571,599,980
	57,159,998	571,599,980	57,159,998	571,599,980	57,159,998	571,599,980

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

Particulars	**As at 31.03.2017**		*As at 31.03.2016*		*As at 01.04.2015*	
	No. of shares	₹	*No. of shares*	₹	*No. of shares*	₹
L&T Infrastructure Development Projects Limited (including nominee holding)	**57,159,998**	**99.99**	*57,159,998*	*99.99*	*57,159,998*	*99.99*

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

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

6 OTHER EQUITY AS ON 31.03.2017

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus						
			Capital reserve	Securities premium reserve	General Reserve	Revaluation Reserve	Debenture Redemption Reserve	Retained earnings	Total
Balance at the beginning of the reporting period	–	–	–	–	–	–	98,747,396	290,725,376	389,472,772
Changes in accounting policy									–
Restated balance as at the beginning of the reporting period									–
Transfer to retained earnings		–							–
Profit for the year								86,731,583	86,731,583
Other comprehensive income								-271,482	-271,482
Issue of share capital				–					
Transfer from / (to) debenture redemption reserve									–
Balance at the end of the reporting period	–	–	–	–	–	–	98,747,396	377,185,477	475,932,873

OTHER EQUITY AS ON 31.03.2016

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus						
			Capital reserve	Securities premium reserve	General Reserve	Revaluation Reserve	Debenture Redemption Reserve	Retained earnings	Total
Balance at the beginning of the reporting period	–	–	–	–	–	–	–	292,783,655	292,783,655
Changes in accounting policy									–
Restated balance as at the beginning of the reporting period									–
Transfer to retained earnings		–						–	–
Profit for the year								96,738,000	96,738,000
Other comprehensive income		–						-48,883	-48,883
Transfer from / (to) debenture redemption reserve							98,747,396	-98,747,396	–
Balance at the end of the reporting period	–	–	–	–	–	–	98,747,396	290,725,376	389,472,772

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

7 BORROWINGS

Particulars	As at 31.03.2017 Current ₹	As at 31.03.2017 Non-current ₹	As at 31.03.2017 Total ₹	As at 31.03.2016 Current ₹	As at 31.03.2016 Non-current ₹	As at 31.03.2016 Total ₹	As at 01.04.2015 Current ₹	As at 01.04.2015 Non-current ₹	As at 01.04.2015 Total ₹
Secured borrowings									
a) Debentures	477,500,000	2,215,873,310	2,693,373,310	602,500,000	2,691,309,876	3,293,809,876	790,000,000	3,288,019,899	4,078,019,899
	477,500,000	2,215,873,310	2,693,373,310	602,500,000	2,691,309,876	3,293,809,876	790,000,000	3,288,019,899	4,078,019,899

8 OTHER FINANCIAL LIABILITIES

Particulars	As at 31.03.2017 Current ₹	As at 31.03.2017 Non-current ₹	As at 31.03.2017 Total ₹	As at 31.03.2016 Current ₹	As at 31.03.2016 Non-current ₹	As at 31.03.2016 Total ₹	As at 01.04.2015 Current ₹	As at 01.04.2015 Non-current ₹	As at 01.04.2015 Total ₹
a) Deposits received	–	44,500	44,500	–	44,500	44,500	–	44,500	44,500
b) Interest accrued	569,633,736	–	569,633,736	363,047,857	–	363,047,857	73,473,952	–	73,473,952
	569,633,736	44,500	569,678,236	363,047,857	44,500	363,092,357	73,473,952	44,500	73,518,452

9 PROVISIONS

Particulars	As at 31.03.2017 Current ₹	As at 31.03.2017 Non-current ₹	As at 31.03.2017 Total ₹	As at 31.03.2016 Current ₹	As at 31.03.2016 Non-current ₹	As at 31.03.2016 Total ₹	As at 01.04.2015 Current ₹	As at 01.04.2015 Non-current ₹	As at 01.04.2015 Total ₹
Provision for employee benefits	–	2,254,632	2,254,632	–	840,554	840,554	–	997,535	997,535
	–	2,254,632	2,254,632	–	840,554	840,554	–	997,535	997,535

10 OTHER LIABILITIES

Particulars	As at 31.03.2017 Current ₹	As at 31.03.2017 Non-current ₹	As at 31.03.2017 Total ₹	As at 31.03.2016 Current ₹	As at 31.03.2016 Non-current ₹	As at 31.03.2016 Total ₹	As at 01.04.2015 Current ₹	As at 01.04.2015 Non-current ₹	As at 01.04.2015 Total ₹
i) Company owned car scheme	–	–	–	–	–	–	–	–	–
ii) Other liabilities	19,350,554	–	19,350,554	21,070,815	–	21,070,815	11,227,207	–	11,227,207
iii) Statutory payables	1,614,993	–	1,614,993	192,415	–	192,415	1,137,402	–	1,137,402
	20,965,547	–	20,965,547	21,263,230	–	21,263,230	12,364,609	–	12,364,609

11 TRADE PAYABLES

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹	As at 01.04.2015 ₹
Acceptances			
Due to related parties	1,883,651	954,492	5,754,336
Due to others	3,437,878	1,190,476	50,441
	5,321,529	2,144,968	5,804,777

12 LIABILITIES FOR CURRENT TAX (NET)

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹	As at 01.04.2015 ₹
Liabilities for current tax (net)	–	–	–
Less: Tax Deducted at Source / Advance tax paid	–	–	–
Income tax net of previous year provisions	78,104,784	78,104,784	78,104,784
	78,104,784	78,104,784	78,104,784

NOTES FORMING PART OF ACCOUNTS (Contd.)

F CONTINGENT LIABILITIES

The Company has a Contingent liability of ₹ Nil /- towards demand notice under section 156 of the Income Tax Act, 1961 pertaining to assessment year 2008-09 from the Income Tax Department.(previous year - ₹ 5,37,54,090/-)

G COMMITMENTS

Commitments as at March 31, 2017 ₹ Nil (previous year: ₹ Nil).

13 REVENUE FROM OPERATIONS

Particulars	**2016-17** ₹	₹	*2015-16* ₹	₹
Operating revenue:				
Finance income	**349,147,682**		*367,566,977*	
Operating revenue	**131,337,570**		*110,820,276*	
		480,485,252		*478,387,253*
		480,485,252		*478,387,253*

14 OTHER INCOME

Particulars	**2016-17** ₹	₹	*2015-16* ₹	₹
Interest income from:				
Bank deposits	**6,005,914**		*5,156,887*	
Inter-corporate deposits	**–**		*23,344,454*	
		6,005,914		*28,501,341*
Profit on sale of current investments		**23,041,556**		*14,771,319*
Fair valuation of current investment		**35,665,784**		*22,086,457*
Lease receivable		**158,470**		*148,100*
Insurance claim received		**2,133,148**		*2,563,499*
Others		**–**		*3,880,899*
		67,004,872		*71,951,615*

15 OPERATING EXPENSES

Particulars	**2016-17** ₹	₹	*2015-16* ₹	₹
Toll Management fees		**9,931,102**		*9,846,266*
Security services		**2,690,725**		*2,043,901*
Insurance		**2,851,728**		*2,324,630*
Concession fee		**1**		*1*
Repairs and maintenance				
Toll road & bridge	**29,891,477**		*34,111,360*	
Plant and machinery	**5,662,411**		*7,166,123*	
Others	**9,933,946**		*8,370,346*	
		45,487,834		*49,647,829*
Professional fees		**7,938,281**		*7,548,120*
Power and fuel		**15,479,694**		*14,285,580*
		84,379,365		*85,696,327*

NOTES FORMING PART OF ACCOUNTS (Contd.)

16 EMPLOYEE BENEFIT EXPENSES

Particulars	**2016-17**		*2015-16*	
	₹	₹	₹	₹
Salaries, wages and bonus		**4,613,312**		*4,554,003*
Contributions to Provident fund	**233,745**		*248,549*	
Gratuity fund	**64,544**		*165,523*	
Compensated absences	**791,269**		*140,897*	
Retention pay	**875,517**		*–*	
Others	**–**		*–*	
		1,965,075		*554,969*
Staff welfare expenses		**449,189**		*576,323*
		7,027,576		*5,685,295*

17 FINANCE COSTS

Particulars	**2016-17**	*2015-16*
	₹	₹
Interest on Non Convertible Debenture	**289,826,186**	*324,753,429*
Unwinding of discount and implicit interest expense on fair value	**2,063,434**	*5,789,978*
	291,889,620	*330,543,407*

18 ADMINISTRATION AND OTHER EXPENSES

Particulars	**2016-17**	*2015-16*
	₹	₹
Rent, Rates and taxes	**253,345**	*119,559*
Professional fees	**19,475,095**	*12,142,606*
Payment to auditor	**749,558**	*548,048*
Diretor sitting fees	**482,650**	*501,852*
Postage and communication	**962,618**	*902,561*
Printing and stationery	**188,478**	*100,417*
Travelling and conveyance	**2,307,451**	*2,213,158*
CSR expenses	**–**	*498,369*
Insurance Expenses	**3,435**	*7,483*
Repairs and Maintenance - Others	**1,145,439**	*533,084*
Loss on sale of Property Plant and Equipment	**20,449**	*1,622*
Miscellaneous expenses	**12,639,180**	*11,797,293*
	38,227,698	*29,366,052*

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

Particulars	**2016-17**	*2015-16*
	₹	₹
a) As auditor	**278,300**	*251,900*
b) For taxation matters	**63,250**	*80,150*
c) For other services	**408,008**	*215,998*
Total	**749,558**	*548,048*

NOTES FORMING PART OF ACCOUNTS (Contd.)

H) NOTES FORMING PART OF ACCOUNTS

1) Corporate Information

L & T Interstate Road Corridor Ltd is a Special Purpose Vehicle (SPV) incorporated on 2nd February, 2006 The Company has been awarded a contract on Build Operate and Transfer (BOT) Annuity basis to widen the existing two-lane seventy six kilometer stretch from KM 601.000 to 677.000 of National Highway No. 27 (formerly known as Km 340.00 to Km 264.00 on Palanpur – Swaroopgunj Section of National Highway No.14) in the State of Gujarat and Rajasthan and operation and maintenance thereof, under the Concession Agreement dated 28th March, 2006 with National Highways Authority of India (NHAI). The Concession Agreement is for a period of 17.5 years from 24th September 2006, being the Commencement Date stated in clause 1.1 of the said agreement. At the end of Concession period, the entire facility will be transferred to NHAI.

2) During the year, the company has incurred ₹ 9,41,400/- (previous year: ₹ 14,23,294/-) towards maintenance of toll equipments. Interest expense in foreign currency during the year ₹ Nil (previous year: ₹ Nil /-)

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

(i) Defined contribution plan:

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

An amount of ₹ 2,33,745 (previous year : ₹ 2,48,549) being contribution made to recognised provident fund is recognised as expense and included under Employee benefit expense (Note 21) in the Statement of Profit and loss.

(ii) Defined benefit plans:

Gratuity:

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

Plan Features

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

Leave Encashment:

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

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

iv) Risk to the Plan

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

Changes in Inter-Valuation Period:

There are no changes in the benefit scheme since the last valuation.

There are no special events such as benefits improvements or cutailments or settlements during the inter-valuation period.

NOTES FORMING PART OF ACCOUNTS (Contd.)

Major Risk to the Plan:

A. Actuarial Risk:

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

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

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

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Variability in availment rates: If actual availment rates are higher than assumed availment rate assumption then leave balances will be utilised earlier than expected. This will result in reduction in leave balances and obligations.

B. Investment Risk:

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

C. Liquidity Risk:

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

D. Market Risk:

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

E. Legislative Risk:

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

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

	Gratuity plan		**Compensated absences**	
Particulars	**As at 31.03.2017**	*As at 31.03.2016*	**As at 31.03.2017**	*As at 31.03.2016*
	₹	₹	₹	₹
Present value of defined benefit obligation				
- Wholly funded	**718,697**	–	**–**	–
- Wholly unfunded	**–**	*409,568*	**688,199**	*338,583*
	718,697	*409,568*	**688,199**	*338,583*
Less : Fair value of plan assets	**1,064,993**	–	**–**	–
Net Liability / (asset)	**(346,296)**	*409,568*	**688,199**	*338,583*

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

	Gratuity plan		**Compensated absences**	
Particulars	**As at 31.03.2017**	*As at 31.03.2016*	**As at 31.03.2017**	*As at 31.03.2016*
	₹	₹	₹	₹
Current service cost	**73,049**	*94,910*	**60,595**	*67,024*
Interest on Defined benefit obligation	**(8,505)**	*36,110*	**24,620**	*38,506*
Net value of remeasurements on the obligation and plan assets			**447,966**	*35,367*
Past service cost and loss/(gain) on curtailments and settlement	**–**	*34,503*	**(91,634)**	–
Total Charge to Statement of Profit and Loss	**64,544**	*165,523*	**441,547**	*140,897*

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

e) Other Comprehensive Income for the period

Particulars	Gratuity plan As at 31.03.2017 ₹	 *As at 31.03.2016* ₹	Compensated absences As at 31.03.2017 ₹	 *As at 31.03.2016* ₹
Components of actuarial gain/losses on obligations:	**–**	–	**–**	–
From changes in demographic assumptions	**–**	–	**–**	–
From changes in financial assumptions	**31,896**	*38,541*	**–**	–
From changes in experience	**228,588**	*10,342*	**–**	–
Past service cost	**–**	–	**–**	–
Actuarial gain/(loss) not recognised in books	**–**	–	**–**	–
Return on plan assets excluding amounts included in interest income	**10,998**	–	**–**	–
Amounts recognized in Other Comprehensive Income	**271,482**	*48,883*	**–**	–

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

Particulars	Gratuity plan As at 31.03.2017 ₹	 *As at 31.03.2016* ₹	Compensated absences As at 31.03.2017 ₹	 *As at 31.03.2016* ₹
Opening balance of the present value of defined benefit obligation	**409,568**	*469,843*	**338,583**	*525,068*
Add: Current service cost	**73,049**	*94,910*	**60,595**	*67,024*
Add: Interest cost	**30,274**	*36,110*	**24,620**	*38,506*
Add: Contribution by plan participants				
i) Employer	**–**	–	**–**	–
ii) Employee	**–**	–	**–**	–
Add/(less): Actuarial losses/(gains)	**260,484**	*48,883*	**447,966**	*35,367*
Less: Benefits paid	**(54,678)**	*(274,681)*	**(91,931)**	*(327,382)*
Add: Past service cost	**–**	*34,503*	**(91,634)**	–
Closing balance of the present value of defined benefit obligation	**718,697**	*409,568*	**688,199**	*338,583*

g) Reconciliation of Plan Assets:

Particulars	Gratuity plan As at 31.03.2017 ₹	 *As at 31.03.2016* ₹	Compensated absences As at 31.03.2017 ₹	 *As at 31.03.2016* ₹
Interest Income	**38,779**	–	**–**	–
Return on plan assets excluding amounts included in interest income	**(10,998)**	–	**–**	–
Contributions by employer	**1,037,212**	–	**–**	–
Benefits paid	**–**			
Closing value of plan assets	**1,064,993**	–	**–**	–

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

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

5) 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 BPP Tollway Limited
	Ahmedabad Maliya Tollway Limited
	L&T Chennai Tada Tollway Limited
	PNG Tollway Limited
	L&T Halol Shamlaji Tollway Limited
	L&T Rajkot Wadinar Tollway Limited
	L&T Western India Tollbridge Limited
Key Managerial Personnel	Mr.Naveen Chandra Joshi & Mr. P V Murali Krishna

b) Disclosure of related party transactions:

Particulars	**2016-17** ₹	*2015-16* ₹
Nature of transaction		
1. Purchase of goods and services incl. taxes	**1,769,028**	*209,077*
Larsen & Toubro Limited	**27,525,766**	*20,321,202*
Fellow subsidiary :		
L&T General Insurance Company Limited	**–**	*2,104,485*
	29,294,794	*22,634,764*
2. Sale of assets		
L&T Infrastructure Development Projects Limited	**1**	*–*
Fellow subsidiaries :		
L&T Rajkot Vadinar Tollway Limited		*66,119*
	1	*66,119*
3. Purchase of assets		
Fellow subsidiaries :		
L&T BPP Tollway Limited	**51,005**	*2*
Ahmedabad Maliya Tollway Limited		*66,119*
L&T Rajkot Vadinar Tollway Limited		*4*
L&T Chennai Tada Tollway Limited	**579,943**	*–*
PNG Tollway Limited	**8,335**	*–*
L&T Halol Shamlaji Tollway Limited	**560,986**	*–*
	1,200,269	*66,125*
4. Redemption of Commercial Paper		
L&T Infrastructure Development Projects Limited	**–**	*451,937,208*
Fellow subsidiary :		
Krishnagiri Thopur Toll Road Limited	**–**	*200,996,318*
	–	*652,933,526*
5. Reimbursement of expenses charged to		
L&T Infrastructure Development Projects Limited		*230,107*
Fellow subsidiaries :		
L&T Rajkot Vadinar Tollway Limited	**1,000**	*252,503*
L&T BPP Tollway Limited	**–**	*2,035,895*
L&T Western India Tollbridge Ltd	**487,124**	*–*
	488,124	*2,518,505*

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars	2016-17 ₹	2015-16 ₹
6. Reimbursement of expenses charged from		
L&T Infrastructure Development Projects Limited	–	455
Fellow subsidiaries :		
Ahmedabad Maliya Tollway Limited	11,000	–
L&T Chennai Tada Tollway Limited	55,991	–
	66,991	455
7. Key Managerial Personnel - Salary and Perquisites		
Manager: Mr. Naveen Chandra Joshi	703,866	
Manager: Mr. P V Murali Krishna (Resigned on August 21, 2015)		628,808
	703,866	628,808

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

Particulars	Amounts due (to)/from As at 31.03.2017 ₹	As at 31.03.2016 ₹
Ultimate Holding Company		
Larsen & Toubro Limited	1,247,717	183,780
Holding Company		
L&T Infrastructure Development Projects Limited		770,712
Fellow Subsidiaries		
L&T Chennai - Tada Tollway Limited	635,934	–

d) **Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2017, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2016: INR Nil, 1 April 2015: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

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

Particulars	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Short term employee benefits	703,866	628,808
Post employment gratuity and medical benefits		
Other long term benefits		
Termination benefits		
Share based payment transactions		

NOTES FORMING PART OF ACCOUNTS (Contd.)

6) DISCLOSURE PURSUANT TO IND AS 12 "INCOME TAXES"

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

Particulars	As at 31.03.2017 ₹	*As at 31.03.2016 ₹*
Profit and loss section:		
Current tax :		
Current income tax charge	**26,883,131**	*2,309,787*
Effect of prior period adjustments		
Deferred tax :		
Relating to origination and reversal of temporary differences		
Effect on deferred tax balances due to change in income tax rate		
Effect of previously unrecognised tax losses and tax offsets used during the current year to reduce deferred tax expense		
Income tax reported in the statement of profit and loss	**26,883,131**	*2,309,787*
Current Tax & Deferred Tax - Equity		
Deferred Tax on Transition Adjustments	**12,409,090**	–
	39,292,221	*2,309,787*

7) DISCLOSURE PURSUANT TO IND AS 33 "EARNINGS PER SHARE"

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

Particulars		2016-17 ₹	*2015-16 ₹*
Basic earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	**86,673,644**	*96,738,000*
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	**57,160,000**	*57,160,000*
Basic earnings per equity share (₹)	A / B	**1.52**	*1.69*
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	**86,673,644**	*96,738,000*
Add : Interest on convertibles (net of tax)	B		
Profit for the year attributable to owners of the Company for the calculating of diluted earnings per share (₹)	C = A+B	**86,673,644**	*96,738,000*
Weighted average number of equity shares outstanding for calculating basic earnings per share	D	**57,160,000**	*57,160,000*
Add : Shares deemed to be issued for no consideration in respect of :	E	–	–
Compulsorily convertible preference share capital	F		
Compulsorily convertible debentures	G		
Weighted average number of equity shares outstanding for calculating diluted earnings per share	H = D + E	**57,160,000**	*57,160,000*
Diluted earnings per equity share (₹)		**1.52**	*1.69*
Face value per equity share (₹)		**10.00**	*10.00*

8) DISCLOSURE PURSUANT TO IND AS 36 "IMPAIRMENT OF ASSETS"

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

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

a) Nature of provision:

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

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 Concession agreement with NHAI the periodic maintenance is expected to occur after every 5 years. Such maintenance expenses shall be considered as and when actual maintenance is to be carried out.

During the current year the Company has provided ₹ nil/- for periodic major maintenance in respect of its resurfacing obligation , as per Schedule L Clause 4.3.7 of the Concession Agreement with NHAI.

c) Contingent liabilities :

The Company has a Contingent liability of ₹ Nil /- towards demand notice under section 156 of the Income Tax Act, 1961 pertaining to assessment year 2008-09 from the Income Tax Department.(previous year- ₹ 5,37,54,090/-)

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

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016		71,396	71,396
(+) Permitted receipts	–	100,000	100,000
(-) Permitted payments		-156,260	-156,260
(-) Amount deposited in Banks	–	–	–
Closing cash in hand as on 30.12.2016	–	15,136	15,136

11) DISCLOSURE UNDER APPENDIX B TO IND AS 11

Description of the arrangement	Significant terms of the arrangement	
Construction, operation and maintenance of the project highway on Design, Build, Finance, operate and Transfer basis	Period of the Concession	The Concession Agreement is for a period of 17.5 years from 24th September 2006, being the Commencement Date stated in clause 1.1 of the said agreement.
	Conditions of Pricing	L & T Interstate Road Corridor Ltd is a Special Purpose Vehicle (SPV) incorporated on 2nd February, 2006 The Company has been awarded a contract on Build Operate and Transfer (BOT) Annuity basis to widen the existing two-lane seventy six kilometer stretch from KM 601.000 to 677.000 of National Highway No. 27 (formerly known as KM 340.00 to KM 264.00 on Palanpur – Swaroopgunj Section of National Highway No.14) in the State of Gujarat and Rajasthan and operation and maintenance thereof, under the Concession Agreement dated 28th March, 2006 with National Highways Authority of India (NHAI).
	Infrastructure return at the end of the concession period	Being BOT project , the project assets have to be transferred at the end of concession period
	Termination Options	Termination of the Concession Agreement can either be due to a) Force Majeure b) Non Political event c) Indirect political event d) Political event. On occurrence of any of the above events, the obligations, dispute resolution, termination payments etc are as detailed in the Concession Agreement.
	Classification of Service Arrangement	The service arrangement has been classified as a Service Concession Arrangement for a PPP project as per Appendix A to Ind AS 11- Construction Contracts; accordingly construction revenues and expenses are accounted during construction phase and intangible asset is recognised towards rights to charge the users of the system.

₹

Particulars	As at 31.03.2017	*As at 31.03.2016*
Construction revenue	–	–
Profit	–	–

NOTES FORMING PART OF ACCOUNTS (Contd.)

I. **SIGNIFICANT ACCOUNTING POLICIES**

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

1) **Basis of preparation**

(a) **Compliance with IndAS**

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

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

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

(b) **Basis of measurement**

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

Item	**Measurement Basis**
- Certain financial assets and liabilities	Fair Value
- Net defined benefit (asset) / liability	Fair Value

(c) **Use of estimates and judgements**

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

(d) **Measurement of fair values**

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

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

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

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

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

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

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

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

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

2) **Presentation of financial statements**

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

prescribed in Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

3) Revenue recognition

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

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

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

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

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

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

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

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

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

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

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

4) Cash and Cash Equivalents

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

5) Cash flow statement

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

(a) transactions of a non-cash nature;

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

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

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

6) Property, plant and equipment (PPE)

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

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

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

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

The estimated useful lives of the assets are as follows:

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

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

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

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

7) 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.

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

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

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

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

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

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

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

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

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

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 Consolidated Statement of Profit and Loss.

8) Investments

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

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

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

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

9) Employee benefits

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

(i) Short term employee benefits

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

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

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

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

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

(ii) Post employment benefits

(a) Defined contribution plans:

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

(b) Defined benefit plans:

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

NOTES FORMING PART OF ACCOUNTS (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.

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.

10) Borrowing costs

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

11) 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.

12) Earnings per share

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

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

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

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

14) 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.

15) Provisions, contingent liabilities and contingent assets

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

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

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

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

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

16) Financial Instruments

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

a) Financial Assets

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

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

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

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

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

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

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

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

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

b) Financial Liabilities

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

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

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

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

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

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

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

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

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

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

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

17) 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.

18) 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.

19) 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.

20) 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.

21) First time adoption of Ind AS

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

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

As per our report attached

For and on behalf of the Board

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

S. POOSAIDURAI
Partner
Membership No. 223754

NIVEDITHA B.
Company Secretary
M. No. A40759

SHIVANGI KETRAPAUL
Chief Financial Officer

R.G. RAMACHANDRAN
Director
DIN:02671982

P. G. SURESH KUMAR
Director
DIN: 07124883

Place : Chennai
Date : April 24, 2017

Place : Chennai
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