BOARD REPORT

Dear Members,

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

FINANCIAL RESULTS / FINANCIAL HIGHLIGHTS:

(₹ in Crore)

Particulars	**2016-17**	*2015-16*
Profit Before Depreciation, exceptional and extra ordinary items & Tax	**17.04**	*19.30*
Less: Depreciation, amortization and obsolescence	**2.86**	*2.84*
Add: Transfer from Revaluation Reserve	**–**	–
Profit before exceptional and extraordinary items and tax	**14.18**	*16.46*
Add: Exceptional Items	**–**	–
Profit before extraordinary items and tax	**14.18**	*16.46*
Add: Extraordinary items	**–**	–
Profit / (Loss) before tax	**14.18**	*16.46*
Less: Provision for tax	**(12.92)**	*(2.32)*
Profit after tax from continuing operations	**27.10**	*18.78*
Profit for the period carried to the balance sheet	**27.10**	*18.78*
Add: Balance brought forward from previous year	**116.18**	*97.40*
Less: Dividend paid for the previous year (Including dividend distribution tax)	**–**	–
Balance available for disposal (which directors appropriate as follows)	**143.28**	*116.18*
Proposed dividend	**–**	–
General Reserve	**–**	–
Balance carried to Balance Sheet	**143.28**	*116.18*

STATE OF COMPANY AFFAIRS:

The gross revenue and other income for the financial year under review were ₹37.34 crore as against ₹39.78 crore for the previous financial year. The profit before tax from continuing operations including extraordinary and exceptional items was ₹14.18 crore and the profit after tax from continuing operations including extraordinary and exceptional items of ₹27.10 crore for the financial year under review as against ₹16.52 crore and ₹18.78 respectively for the previous financial year.

CAPITAL & FINANCE

The Company has not raised funds through issue of securities or availability term loans of Non-Convertible Debentures or long term foreign currency loans.

CAPITAL EXPENDITURE

As at March 31, 2017 the gross fixed and intangible assets including leased assets, stood at ₹98.41 crore and the net fixed and intangible assets, including leased assets stood at ₹70.98 crore. Capital Expenditure during the year amounted to ₹0.15 crore.

DEPOSITS

The Company has not accepted deposits from the public and 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.

SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

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

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

Since the Company is engaged in the business of developing infrastructure facility, the provisions of Section 186 except sub-section (1) of the Companies Act, 2013 (Act) 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 to accounts of this Annual report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions were in the ordinary course of business and at arm's – length.

All related party transactions (RPT) during the year have been approved in terms of the Act, adhere to the RPT Policy of its Holding Company and guidelines thereunder.

There are no material contracts or arrangements entered during the year and the disclosure as per Form AOC-2 is given to this Report in Annexure I.

AMOUNT TO BE CARRIED TO RESERVE

Appropriation of profits to any specific reserve is not applicable to the Company.

DIVIDEND

The Board of Directors of your company has not declared any dividend for the year under review.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE 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 & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

Your Company had invoked Arbitration challenging termination of the project by Ministry of Road Transport and Highways (MORTH) and for settlement of long pending claims. While the first meeting of the Arbitral Tribunal was held on August 23, 2011 at New Delhi, the arbitral tribunal pronounced the Award on December 12, 2014 after a series of hearings wherein termination was unanimously declared as illegal and other disputes were also decided in favour of your company.

As apprehended, MoRTH has preferred an appeal under Section 34 of the Arbitration and Conciliation Act, 1996 before the High Court of Delhi and the same is pending for admission.

Pending Appeal of MORTH, in terms of the policy mooted by the NITI AAYOG, 75% of the total award amount will be paid against a bank guarantee. Process for execution of Escrow Agreement is on and upon execution of the same 75% award amount would be released.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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.

There were no foreign exchange earnings or outgo during the year.

RISK MANAGEMENT POLICY

The Company follows the risk management policy of its Holding Company and has in place a mechanism to inform the Board Members about risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework.

INTERNAL CONTROL SYSTEMS AND ITS 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 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" of the Auditors' report for the financial year 2016-17.

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

Mr.P.G.Suresh Kumar, Director who had retired by rotation at the Annual General Meeting held on September 29, 2016 being eligible was re-appointed as Director.

Mr.Karthikeyan.T.V resigned as Director of the Company on July 13, 2016.

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

S. No.	Name	Designation	DIN
1	Mr.R.G.Ramachandran	Director	02671982
2	Mr.P.G.Suresh Kumar	Director	07124883
3	Mr.Mathew George	Director	07402208
4	Dr.Koshy Varghese	Independent Director	03141594
5	Mr.N.Raghavan	Independent Director	00251054

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

Mr.Sreedhar Vasudevan resigned as Manager of the Company with effect from April 28, 2016.

Mr.K.V.Satishkumar was appointed as Manager of the Company with effect from October 21, 2016.

S. No.	Name	Designation	Date of Appointment
1	Mr.K.V.Satishkumar	Manager	October 21, 2016
2	Mr.K.Srinathan	Company Secretary	December 26, 1998
3	Mr.U.Poovarasan	Chief Financial Officer	October 28, 2014

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. Additional Meetings of the Board of Directors are held as per business requirement. During the year under review five Meetings were held on the following dates.

Date	Board Strength	No. of Directors Present
April 28, 2016	5	5
July 13, 2016	5	3
October 21, 2016	5	4
January 18, 2017	5	5
March 20, 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 comprising of Dr.Koshy Varghese, Mr.N.Raghavan and Mr.Mathew George as the members of the Committee.

The terms of reference of the Audit Committee are in line with the provisions of the Act read with the rules made thereunder.

Details of the meetings held during the year under review, are given below:

Date	Strength of the Committee	No. of members present
April 28, 2016	3	3
July 13, 2016	3	2
October 21, 2016	3	3
January 18, 2017	3	3
March 20, 2017	3	3

The Company has established a vigil mechanism framework for Directors and employees to report genuine concerns. This mechanism is in line with the requirements of the Act and 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 a Nomination and Remuneration Committee in accordance with the requirements of the Act comprising of Dr.Koshy Varghese, Mr.N.Raghavan and Mr.R.G.Ramachandran as the members of the Committee.

The terms of reference of the Nomination and Remuneration Committee are in line with the provisions of the Act.

During the year under review two meetings were held and the details are given hereunder:

Date	Strength of the Committee	No. of members Present present
July 13, 2016	3	2
October 21, 2016	3	3

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted a Corporate Social Responsibility Committee in accordance with the requirements of the Act read with the rules made thereunder comprising of Mr.N.Raghavan, Mr.P.G.Suresh Kumar and Mr.R.G.Ramachandran as the members of the committee.

The terms of reference of the Corporate Social Responsibility Committee are in line with the provisions of the Act.

During the year, one Corporate Social Responsibility committee meeting was held and the details are given below:

Date	Strength of the Committee	No. of members Present
January 18, 2017	3	3

The provisions pertaining to Corporate Social Responsibility (CSR) as prescribed under the Act are applicable to your Company and the details of CSR expenditure is enclosed to this Report as Annexure II.

DECLARATION OF INDEPENDENCE

The Company has received Declaration(s) of Independence as stipulated under Section 149(7) of the Act confirming that he is not disqualified from continuing as an Independent Director.

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms that:

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

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 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; and;

e) 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, Chairman 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 questionnaires also cover specific criteria and the grounds on which all Directors in their individual capacity will be evaluated.

Due to non-availability of Independent Directors, the meeting of Independent Directors could not be held during the calendar year 2016.

The inputs given by all the Directors were discussed in the meeting of the Independent Directors held on March 20, 2017 in accordance with Schedule IV of the Act. The performance evaluation of the Board, Committees, Chairman and Directors was also reviewed by the Nomination and Remuneration Committee and the Board of Directors.

DISCLOSURE OF REMUNERATION

As the shares of the Company are not listed with any stock exchange hence, no information is being provided under Section 197 of the Act read with sub rule 2 of rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

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

PROTECTION OF WOMEN AT WORKPLACE

L&T IDPL, the Holding Company has formulated a policy on 'Protection of Women's Rights at Workplace' which was approved at its Board Meeting held on July 13, 2016 which has been adopted by the Company. The policy has been widely disseminated. There were no cases of sexual harassment during FY 2016-17.

AUDITORS

Statutory auditors

The Company in the 18th Annual General Meeting held on September 25, 2015 for the FY 2015-16 had appointed M/s. Sharp & Tannan., Chartered Accountants, (Firm Reg No: 003792S), as Auditors of the Company to hold office from the conclusion of that Annual General Meeting until the conclusion of the 20th Annual General Meeting of the Company to be held during the year 2017.

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

EXTRACT OF ANNUAL RETURN

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

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the customers, Supply Chain Partners, Employees, Financial Institutions, Banks, Central and State Government authorities, Regulatory authorities, and all the various stakeholders for their continued co-operation and support to the Company. Your Directors also wish to record their appreciation for the continued co-operation and support received from the Associates.

For and on behalf of the Board

Place : Chennai	**R. G. RAMACHANDRAN**	**P. G. SURESH KUMAR**
Date : April 27, 2017	*Director*	*Director*
	DIN: 02671982	*DIN: 07124883*

ANNEXURE I

FORM 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 arms 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 entered during the year.					

Date(s) of approval by the Board, if any – April 27, 2017

For and on behalf of the Board

Place : Chennai
Date : April 27, 2017

R. G. RAMACHANDRAN
Director
DIN: 02671982

P. G. SURESH KUMAR
Director
DIN: 07124883

ANNEXURE II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **CORPORATE SOCIAL RESPONSIBILITY:**

   a. **Amount to be spent on CSR:**

   The CSR committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the Company.

   As per the provisions of Section 135 of Companies Act, 2013, the amount of expenditure recommended by the CSR Committee was ₹49.87 Lakh towards specific CSR activities on various programs on enhancing the sustainable mode to ensure maximum benefit to the community out of which ₹24.82 Lakh during the FY 2016-17. The Company identified various agencies for CSR activities as approved by the CSR Committee.

   b. **Manner in which amount spent during the financial year:**

Sector in which the project is covered	Amount spent on the project / programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads
Promoting education*	2869634
Healthcare facilities	147475
Urban/Rural development	1688001

* Road safety programmes, Empowerment of young women

For and on behalf of the Board

Place : Chennai
Date : April 27, 2017

R. G. RAMACHANDRAN
Director
DIN: 02671982

P. G. SURESH KUMAR
Director
DIN: 07124883

ANNEXURE III

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	U45203TN1997PLC039102
Registration Date	24/09/1997
Name of the Company	L&T Transportation Infrastructure Limited
Category / Sub-Category of the Company	Company Limited by shares/Indian Non-government Company
Address of the Registered office and contact details	P.O.BOX.979, MOUNT POONAMALLEE ROAD, MANAPAKKAM, CHENNAI- 600089
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	NSDL Database Management Limited. * 4th Floor,'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013. (Phone: +91 22 49142700)

* NSDL Database Management Limited was appointed as Registrar and Share Transfer Agent at the Board Meeting held on October 21, 2016 and the services were transferred from Sharepro Services Limited w.e.f September 30, 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:-

S. 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 CIN/GLN of the Company	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	L&T Infrastructure Development Projects Limited U65993TN2001PLC046691	Holding	73.76%	2(46)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Phsical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	41399994	6*	41400000	100	41399994	6*	41400000	100	–
e) Banks / FI									
f) Any Other									
Sub-total (A) (1):-	**41399994**	**6***	**41400000**	**100**	**41399994**	**6***	**41400000**	**100**	**–**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Phsical	Total	% of Total Shares	
(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)	41399994	6*	41400000	100	41399994	6*	41400000	100	–
B. Public Shareholding									
1. Institutions									
a) MutualFunds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
Sub-total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	41399994	6*	41400000	100	41399994	6*	41400000	100	–

(ii) Shareholding of Promoters

Sl No	Shareholders Name	Shareholding as on April 01, 2016			Shareholding as on March 31, 2017			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Share	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	L&T Infrastructure Development Projects Limited	30536000	73.76%	0%	30536000	73.76%	0%	–
2	Larsen & Toubro Limited(with nominees)	10864000	26.24%	0%	10864000	26.24%	0%	–
	Total	**41400000**	**100%**	**0%**	**41400000**	**100%**	**0%**	**–**

(iii) Change in Promoters' Shareholding: NIL

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

(v) Shareholding of Directors and Key Managerial Personnel: Nil

V. INDEBTEDNESS

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

(Amount in ₹ crore)

Particulars of Indebtedness	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
As on April 01, 2016				
i) Principal Amount	77.60	–	–	**77.60**
ii) Interest due but not paid	–	–	–	
iii) Interest accrued but not due	–	–	–	
Total (i+ii+iii)	**77.60**	**–**	**–**	**77.60**
Change in Indebtedness during the financial year				
Addition	–	–	–	
Reduction	18.73	–	–	**18.73**
Net Change	**-18.73**	**–**	**–**	**–18.73**
As on March 31, 2017				
i) Principal Amount	58.88	–	–	**58.88**
ii) Interest due but not paid	–	–	–	
iii) Interest accrued but not due	–	–	–	
Total (i+ii+iii)	**58.88**	**–**	**–**	**58.88**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Manager: Satish Kumar K V	
1.	Gross salary	1450000	1450000
	(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)	**1450000**	**1450000**
	Ceiling as per the Act	**8400000**	**8400000**

B. Remuneration to other directors:

(Amount in ₹)

S. No	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	**Mr. N. Raghavan**	**Dr. Koshy Varghese**	
	Fee for attending Board Meeting	1,25,000	1,00,000	2,25,000
	Fee for attending Committee Meeting	80,000	50,000	1,30,000
	Commission	–	–	–
	Others	–	–	–
	Total (1)	**2,05,000**	**1,50,000**	**3,55,000**
2.	Other Non – Executive Directors			
	1. Mr. P. G. Suresh Kumar			
	2. Mr.R.G. Ramachandran			
	3. Mr.Mathew George			
	Fee for attending Board Meeting			
	Fee for attending			
	Committee Meeting			
	Commission			
	Others Please Specify			
	Total (2)			
	Total (B)=(1+2)	**2,05,000**	**1,50,000**	**3,55,000**
	Total Managerial Remuneration	**NA**		
	Overall Ceiling as per the Act	**Sitting fees not more than ₹1,00,000 per meeting of Board or Committee.**		

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

No remuneration was paid to KMP other than Manager of the Company. Mr.U.Poovarasan, CFO and Mr. K.Srinathan, 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 27, 2017

R. G. RAMACHANDRAN
Director
DIN: 02671982

P. G. SURESH KUMAR
Director
DIN: 07124883

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF L&T TRANSPORTATION INFRASTRUCTURE LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of **L&T Transportation Infrastructure Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 these 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, the financial position of the Company as at 31 March 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

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

   (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, amended vide the Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. Refer Note H 10 to the Ind AS financial statements;

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 financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures carried out by us and relying on the management representation, we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management of the Company. (Refer Note H 15 to the Ind AS Financial Statements);

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

P Rajesh Kumar
Partner
Membership No. 225366

Place: Chennai
Date: 27 April 2017

ANNEXURE 'A'TO THE INDEPENDENT AUDITOR'S REPORT

With reference to Annexure 'A' referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's report to the members of L&T Transportation Infrastructure Limited on the Ind AS financial statements for the year ended 31 March 2017, we report that:

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

(b) As informed to us, fixed assets have been physically verified by the management during the year and no discrepancies were noticed on such verification.

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

(ii) The Company is engaged in the business of development, operation and maintenance of roads and does not have any inventory in its books of account. Accordingly, reporting on clause (ii) of the Order does not arise.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly reporting on clause (iii) (a), (b) and (c) of the Order does not arise.

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

(v) According to the information and explanations given to us, the Company has not accepted any deposits from public. Accordingly, reporting under clause (v) of the Order does not arise.

(vi) The maintenance of cost records under Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (as amended) is not applicable for the Company as it does not meet the threshold limit of turnover prescribed under Rule 3 of the Rules. Accordingly, reporting under clause (vi) of the Order does not arise.

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

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax as at 31 March 2017 which have not been deposited on account of a dispute.

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to banks during the year. The Company did not have any loans or borrowing from financial institutions or government or dues to debenture holders.

(ix) The Company has not taken any term loans or raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause (ix) of the Order does not arise.

(x) To the best of our knowledge and during the course of our examination of the books and records of the Company, and according to the information and explanations given to us, no instances of fraud by the Company, and no material instances of fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us, the Company has paid or provided for, managerial remuneration during the year. However, requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013 were not required since the total managerial remuneration paid or payable by the Company to its Manager in respect of financial year ended 31 March 2017 has not exceeded the limits computed in the manner laid down in section 198 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order does not arise.

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

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

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

(xvi) The Company is not engaged in the business of non-banking financial institution and is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly reporting under clause (xvi) of the Order does not arise.

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

P Rajesh Kumar
Partner
Membership No. 225366

Place: Chennai
Date: 27 April 2017

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) of our Report of even date]

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

We have audited the internal financial controls over financial reporting of **L&T Transportation Infrastructure Limited** ("the Company") as of 31 March 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. Our audit is conducted in accordance with the Guidance Note on audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

P Rajesh Kumar
Partner
Membership No. 225366

Place: Chennai
Date: 27 April 2017

BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note No.	As at 31.03.2017 ₹	As at 31.03.2016 ₹	As at 01.04.2015 ₹
ASSETS				
Non-current assets				
a) Property, Plant and Equipment	1	**1,989,521**	*1,929,572*	*3,792,093*
b) Capital work-in-progress	2	**1,053,917**	–	–
c) Intangible assets	3	**707,820,021**	*736,052,412*	*762,357,797*
d) Financial Assets				
i) Loans	4	**343,070**	*343,070*	*341,480*
e) Deferred tax assets (net)		**33,223,167**	–	–
f) Other non-current assets	5	**302,762**	*318,593*	*336,253*
	A	**744,732,458**	*738,643,647*	*766,827,623*
Current assets				
a) Financial Assets				
i) Investments	6	**1,560,809,295**	*54,171,084*	*1,486,301,840*
ii) Trade receivables	7	**–**	–	–
iii) Cash and bank balances	8	**229,411,083**	*6,706,908*	*330,046,822*
iv) Loans	4	**–**	*1,769,587,182*	–
b) Other current assets	5	**7,527,856**	*398,989*	*1,132,431*
	B	**1,797,748,234**	*1,830,864,163*	*1,817,481,093*
TOTAL	A+B	**2,542,480,692**	*2,569,507,810*	*2,584,308,716*
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share capital	9	**414,000,000**	*414,000,000*	*414,000,000*
b) Other Equity	10	**1,432,845,775**	*1,161,849,320*	*974,039,562*
	C	**1,846,845,775**	*1,575,849,320*	*1,388,039,562*
LIABILITIES				
Non-current liabilities				
a) Financial liabilities				
i) Borrowings	11	**393,746,604**	*588,502,691*	*775,987,690*
b) Provisions	13	**69,436,334**	*50,642,899*	*32,924,120*
c) Deferred tax liabilities (net)		**–**	*126,654,814*	*188,276,191*
	D	**463,182,938**	*765,800,404*	*997,188,001*
Current liabilities				
a) Financial liabilities				
i) Trade payables	15	**28,873,534**	*31,478,858*	*12,217,901*
ii) Other financial liabilities	12	**196,193,800**	*188,693,800*	*166,058,800*
b) Other current liabilities	14	**3,723,635**	*2,065,463*	*17,902,481*
c) Provisions	13	**575,734**	*1,113,419*	*416,289*
d) Current tax liabilities (net)	16	**3,085,276**	*4,506,546*	*2,485,682*
	E	**232,451,979**	*227,858,086*	*199,081,153*
Total Equity and Liabilities	C+D+E	**2,542,480,692**	*2,569,507,810*	*2,584,308,716*
Contingent liabilities	F			
Commitments	G			
Other notes forming part of accounts	H			
Significant accounting policies	I			

As per our report attached

For and on behalf of the Board

SHARP & TANNAN
Chartered Accountants
Firm registration No. 003792S
By the hand of

P RAJESH KUMAR	**U. POOVARASAN**	**K.SRINATHAN**	**R G RAMACHANDRAN**	**MATHEW GEORGE**
Partner	*Chief Financial Officer*	*Company Secretary*	*Director*	*Director*
Membership No. 225366		*M. No. A12711*	*DIN: 02671982*	*DIN: 07402208*

Place : Chennai
Date : April 27, 2017

Place : Chennai
Date : April 27, 2017

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

Particulars	Note No.	2016-17 ₹	2016-17 ₹	*2015-16* ₹	*2015-16* ₹
REVENUE:					
Revenue from Operations	**17**		**250,814,395**		*257,759,240*
Other income	**18**		**122,607,155**		*140,056,477*
Total Revenue			**373,421,550**		**397,815,717**
EXPENSES					
Operating expenses	**19**		**86,647,032**		*71,795,456*
Employee benefit expenses	**20**		**11,093,353**		*11,993,589*
Finance costs	**21**		**74,760,429**		*95,683,868*
Depreciation and amortisation	**1 & 3**		**28,569,814**		*28,403,111*
Administration and other expenses	**22**		**30,646,743**		*24,751,622*
Total Expenses			**231,717,371**		**232,627,646**
Profit/(loss) before tax			**141,704,179**		*165,188,071*
Tax Expense:					
Current tax		**54,485,199**		*38,432,020*	
Deferred tax (incl MAT Credit Entitlement)		**(183,666,369)**		*(61,621,377)*	
			(129,181,170)		*(23,189,357)*
Profit after tax for the year			**270,885,349**		**188,377,428**
Other Comprehensive Income/ (expense)	**23**		**111,106**		**(567,670)**
i) Reclassifiable to profit or loss in subsequent periods			**–**		*–*
ii) Not reclassifiable to profit or loss in subsequent periods			**111,106**		*(567,670)*
Total Comprehensive Income for the year			**270,996,455**		**187,809,758**
Earnings per equity share (Basic and Diluted)	**H (8)**		**6.55**		*4.54*
Face value per equity share			**10.00**		*10.00*

As per our report attached

For and on behalf of the Board

SHARP & TANNAN
Chartered Accountants
Firm registration No. 003792S
By the hand of

P RAJESH KUMAR
Partner
Membership No. 225366

U. POOVARASAN
Chief Financial Officer

K.SRINATHAN
Company Secretary
M. No. A12711

R G RAMACHANDRAN
Director
DIN: 02671982

MATHEW GEORGE
Director
DIN: 07402208

Place : Chennai
Date : April 27, 2017

Place : Chennai
Date : April 27, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

		2016-17 ₹	2015-16 ₹
A	**Net profit / (loss) before tax and extraordinary items**	**142,062,086**	*164,466,381*
	Adjustment for		
	Depreciation and amortisation expense	**28,569,814**	*28,403,111*
	Interest expense	**74,572,429**	*95,683,868*
	Interest income	**(102,880,531)**	*(72,026,787)*
	(Profit)/loss on sale of current investments(net)	**(19,217,764)**	*(67,732,406)*
	(Profit)/loss on sale of fixed assets	**(12,991)**	*3,227*
	Operating profit before working capital changes	**123,093,043**	*148,797,394*
	Adjustments for:		
	Increase / (Decrease) in provisions	**14,006,674**	*15,738,086*
	Increase / (Decrease) in trade payables	**(2,605,324)**	*19,260,958*
	Increase / (Decrease) in other current liabilitites	**1,658,172**	*(15,702,018)*
	(Increase) / Decrease in other current assets	**(4,027,289)**	*731,852*
	Net cash generated from/(used in) operating activities	**132,125,276**	*168,826,272*
	Direct taxes paid (net of refunds)	**(32,349,051)**	*(36,239,476)*
	Net Cash(used in)/generated from Operating Activities	**99,776,225**	*132,586,796*
B	**Cash flow from investing activities**		
	Purchase of fixed assets	**(1,451,298)**	*(242,932)*
	Sale of fixed assets	**13,000**	*4,499*
	(Purchase)/Sale of current investments	**(1,487,420,447)**	*1,499,863,162*
	Intercorporate deposits (placed)/refunded (net)	**1,765,000,000**	*(1,765,000,000)*
	Interest received	**107,467,713**	*67,439,605*
	Net cash (used in)/generated from investing activities	**383,608,968**	*(197,935,666)*
C	**Cash flow from financing activities**		
	Repayment of long term borrowings	**(187,268,529)**	*(165,000,000)*
	Interest paid	**(73,412,489)**	*(92,991,044)*
	Net cash (used in)/generated from financing activities	**(260,681,018)**	*(257,991,044)*
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**222,704,175**	*(323,339,914)*
	Cash and cash equivalents as at the beginning of the year	**6,706,908**	*330,046,822*
	Cash and cash equivalents as at the end of the year	**229,411,083**	*6,706,908*

Notes:

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

As per our report attached

For and on behalf of the Board

SHARP & TANNAN
Chartered Accountants
Firm registration No. 003792S
By the hand of

P RAJESH KUMAR	**U. POOVARASAN**	**K.SRINATHAN**	**R G RAMACHANDRAN**	**MATHEW GEORGE**
Partner	*Chief Financial Officer*	*Company Secretary*	*Director*	*Director*
Membership No. 225366		*M. No. A12711*	*DIN: 02671982*	*DIN: 07402208*

Place : Chennai
Date : April 27, 2017

Place : Chennai
Date : April 27, 2017

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

10 OTHER EQUITY AS ON 31.03.2017

Particulars	Reserves & Surplus		
	General Reserve	Retained earnings	Total
Balance at the beginning of the reporting period	2,029,771	1,159,819,549	**1,161,849,320**
Total comprehensive income	–	270,996,455	**270,996,455**
Balance at the end of the reporting period	**2,029,771**	**1,430,816,004**	**1,432,845,775**

OTHER EQUITY AS ON 31.03.2016

Particulars	Reserves & Surplus		
	General Reserve	Retained earnings	Total
Balance at the beginning of the reporting period	2,029,771	972,009,791	**974,039,562**
Total comprehensive income	–	187,809,758	**187,809,758**
Balance at the end of the reporting period	**2,029,771**	**1,159,819,549**	**1,161,849,320**

NOTES FORMING PART OF ACCOUNTS

1 PROPERTY, PLANT AND EQUIPMENT

Particulars	Cost				Depreciation				Book Value	
	As at April 01, 2016	Additions	Deductions	As at March 31, 2017	As at April 01, 2016	For the year	Deductions	As at March 31, 2017	As at March 31, 2017	As as March 31, 2016
Owned										
Land	607,315	–	–	607,315	–	–	–	–	607,315	607,315
Building	873,180	–	–	873,180	25,682	25,682	–	51,364	821,816	847,498
Plant and Equipment	1,747,010	–	–	1,747,010	1,729,143	1,953	–	1,731,096	15,914	17,867
Furniture and fixtures	18,043	52,956	2	70,997	6,154	59,086	–	65,240	5,757	11,889
Vehicles	114,959	–	–	114,959	114,957	–	–	114,957	2	2
Office equipment	58,920	66,451	4	125,367	13,191	43,000	–	56,191	69,176	45,729
Electrical installations	41,165	–	–	41,165	41,163	–	–	41,163	2	2
Air conditioning and Refrigeration	6	48,300	–	48,306	–	338	–	338	47,968	6
Computers, laptops and printers	565,155	229,674	9,377	785,452	165,891	207,364	9,374	363,881	421,571	399,264
Total	**4,025,753**	**397,381**	**9,383**	**4,413,751**	**2,096,181**	**337,423**	**9,374**	**2,424,230**	**1,989,521**	**1,929,572**
Previous year	*3,792,093*	*242,932*	*9,272*	*4,025,753*	–	*2,097,727*	*1,546*	*2,096,181*		

2 CAPITAL WORK-IN-PROGRESS

Particulars	Cost			
	As at April 01, 2016	Additions	Deductions	As at March 31, 2017
Capital work in progress	–	1,053,917		1,053,917
Total	**–**	**1,053,917**	**–**	**1,053,917**
Previous year				

3 INTANGIBLE ASSETS

Particulars	Cost				Amortisation				Book Value	
	As at April 01, 2016	Additions	Deductions	As at March 31, 2017	As at April 01, 2016	For the year	Deductions	As at March 31, 2017	As at March 31, 2017	As as March 31, 2016
Toll collection rights	979,689,743	–	–	979,689,743	243,637,331	28,232,391	–	271,869,722	707,820,021	736,052,412
Total	**979,689,743**	**–**	**–**	**979,689,743**	**243,637,331**	**28,232,391**	**–**	**271,869,722**	**707,820,021**	**736,052,412**
Previous year	*979,689,743*	–	–	*979,689,743*	*217,331,946*	*26,305,385*	–	*243,637,331*		

(a) Capital commitments ₹ 2,41,500 (previous year - ₹ NIL)

NOTES FORMING PART OF ACCOUNTS (Contd.)

1 PROPERTY, PLANT AND EQUIPMENT

Particulars	Cost				Depreciation				Book Value	
	As at April 01, 2015	Additions	Disposals	As at March 31, 2016	As at April 01, 2015	For the year	Disposals	As at March 31, 2016	As at March 31, 2016	As at April 01, 2015
Owned										
Land	607,315	–	–	607,315	–	–	–	–	607,315	607,315
Building	873,180	–	–	873,180	–	25,682	–	25,682	847,498	873,180
Plant and Equipment	1,747,005	5	–	1,747,010	–	1,729,143	–	1,729,143	17,867	1,747,005
Furniture and fixtures	18,043	–	–	18,043	–	6,154	–	6,154	11,889	18,043
Vehicles	114,959	–	–	114,959	–	114,957	–	114,957	2	114,959
Office equipment	30,402	28,518	–	58,920	–	13,191	–	13,191	45,729	30,402
Electrical installations	41,165	–	–	41,165	–	41,163	–	41,163	2	41,165
Air conditioning and Refrigeration	6	–	–	6	–	–	–	–	6	6
Computers, laptops and printers	360,018	214,409	9,272	565,155	–	167,437	1,546	165,891	399,264	360,018
Total	**3,792,093**	**242,932**	**9,272**	**4,025,753**	**–**	**2,097,727**	**1,546**	**2,096,181**	**1,929,572**	**3,792,093**
Previous year				*3,792,093*				*–*		

3 INTANGIBLE ASSETS

Particulars	Cost				Amortisation				Book Value	
	As at April 01, 2015	Additions	Disposals	As at March 31, 2016	As at April 01, 2015	For the year	Disposals	As at March 31, 2016	As at March 31, 2016	As at April 01, 2015
Specialised Software	–	–	–	–	–	–	–	–	–	–
Toll collection rights	979,689,743	–	–	979,689,743	217,331,946	26,305,385	–	243,637,331	736,052,412	762,357,797
Total	**979,689,743**	**–**	**–**	**979,689,743**	**217,331,946**	**26,305,385**	**–**	**243,637,331**	**736,052,412**	**762,357,797**
Previous year	*979,689,743*			*979,689,743*				*217,331,946*		

Particulars	March 31, 2017			*March 31, 2016*			*April 01, 2015*		
	Current	Non-current	Total	*Current*	*Non-current*	*Total*	*Current*	*Non-current*	*Total*
	₹	₹	₹	₹	₹	₹	₹	₹	₹
4 LOANS									
a) Security deposits									
Unsecured, considered good	**–**	**343,070**	**343,070**	*–*	*343,070*	*343,070*	*–*	*341,480*	*341,480*
b) Loans to related parties									
Unsecured, considered good									
Inter-corporate deposit	**–**	**–**	**–**	*1,769,587,182*	*–*	*1,769,587,182*	*–*	*–*	*–*
	–	**343,070**	**343,070**	*1,769,587,182*	*343,070*	*1,769,930,252*	*–*	*341,480*	*341,480*

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars	March 31, 2017			March 31, 2016			April 01, 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
5 OTHER NON-CURRENT AND CURRENT ASSETS									
Advances other than capital advances									
Receivable from NHAI	7,170,797	–	7,170,797	–	–	–	–	–	–
Advance recoverable other than in cash									
Prepaid expenses	357,059	–	357,059	398,989	–	398,989	1,132,431	–	1,132,431
Income tax net of previous year provisions	–	302,762	302,762	–	318,593	318,593	–	336,253	336,253
	7,527,856	302,762	7,830,618	398,989	318,593	717,582	1,132,431	336,253	1,468,684

Particulars	As at March 31, 2017 Current	As at March 31, 2016 Current	As at April 1, 2015 Current
	₹	₹	₹
6 INVESTMENTS			
Investments at fair value through Profit and loss			
Investments in mutual funds	1,560,809,295	54,171,084	1,486,301,840
	1,560,809,295	54,171,084	1,486,301,840
Aggregate book value of quoted investments	1,560,037,078	52,992,160	1,470,160,347
Aggregate market value of quoted investments	1,560,809,295	54,171,084	1,486,301,840
7 TRADE RECEIVABLES			
Unsecured, considered good			
From Related parties			
Debts outstanding for a period exceeding six months	–	–	–
Others			
From others			
Debts outstanding for a period exceeding six months	9,447,000	9,447,000	9,447,000
Others			
	9,447,000	9,447,000	9,447,000
Less: Allowance for credit losses	9,447,000	9,447,000	9,447,000
	–	–	–
8 CASH AND CASH EQUIVALENTS			
a) Balances with banks	27,180,440	5,201,560	15,201,148
b) Cash on hand	2,181,328	1,505,348	1,486,389
c) Fixed deposits with banks including interest accrued thereon	200,049,315	–	313,359,285
	229,411,083	6,706,908	330,046,822

Short term deposits are made for period of seven days earn interest at applicable rates of interest.

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars	As at March 31, 2017		*As at March 31, 2016*		*As at April 01, 2015*	
	No. of shares	₹	*No. of shares*	*₹*	*No. of shares*	*₹*
9 SHARE CAPITAL						
(i) Authorised, issued, subscribed and paid up						
Authorised:						
Equity shares of ₹ 10 each	**50,000,000**	**500,000,000**	*50,000,000*	*500,000,000*	*50,000,000*	*500,000,000*
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each	**41,400,000**	**414,000,000**	*41,400,000*	*414,000,000*	*41,400,000*	*414,000,000*
(ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:						
At the beginning of the year	**41,400,000**	**414,000,000**	*41,400,000*	*414,000,000*	*41,400,000*	*414,000,000*
Issued during the year as fully paid		**–**	–	–	–	–
Others	**–**	**–**	–	–	–	–
At the end of the year	**41,400,000**	**414,000,000**	*41,400,000*	*414,000,000*	*41,400,000*	*414,000,000*

(iv) Terms / rights attached to shares

Equity shares

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

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

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

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

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

Particulars	As at March 31, 2017		*As at March 31, 2016*		*As at April 01, 2015*	
	No. of shares	₹	*No. of shares*	*₹*	*No. of shares*	*₹*
L&T Infrastructure Development Projects Limited (including nominee holding)	**30,536,000**	**305,360,000**	*30,536,000*	*305,360,000*	*30,536,000*	*305,360,000*
Larsen and Toubro Limited (ultimate holding company)	**10,864,000**	**108,640,000**	*10,864,000*	*108,640,000*	*10,864,000*	*108,640,000*
	41,400,000	**414,000,000**	*41,400,000*	*414,000,000*	*41,400,000*	*414,000,000*
(vi) Details of Shareholders holding more than 5% shares in the company:						
L&T Infrastructure Development Projects Limited (including nominee holding)	**30,536,000**	**73.76%**	*30,536,000*	*73.76%*	*30,536,000*	*73.76%*
Larsen and Toubro Limited (including nominee holding)	**10,864,000**	**26.24%**	*10,864,000*	*26.24%*	*10,864,000*	*26.24%*

(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

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars	March 31, 2017			March 31, 2016			April 01, 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
11 BORROWINGS									
Secured borrowings									
a) Term loans									
i) From banks	–	393,746,604	393,746,604	–	588,502,691	588,502,691	–	775,987,690	775,987,690
	–	393,746,604	393,746,604	–	588,502,691	588,502,691	–	775,987,690	775,987,690

Details of long term borrowings

Particulars	Effective interest rate	Terms of repayment
Term loans from banks	Base rate + applicable spread	Repayable in 162 monthly instalments from Oct 2006 to March 2020 at specified amounts

Nature of security for term loans/debentures

i) Mortgage of title deed of immovable property being flat located at Coimbatore

ii) Hypothecation of movable properties, assignment of project documents, insurance policies, investments, receivables and general assets

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Long term borrowings [Refer note]	393,746,604	588,502,691	775,987,690
Current maturities of long term borrowings [Refer note]	195,000,000	187,500,000	165,000,000

Particulars	March 31, 2017			March 31, 2016			April 01, 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
12 OTHER FINANCIAL LIABILITIES									
a) Deposits received	1,193,800	–	1,193,800	1,193,800	–	1,193,800	1,058,800	–	1,058,800
d) Current maturities of long term borrowings	195,000,000	–	195,000,000	187,500,000	–	187,500,000	165,000,000	–	165,000,000
	196,193,800	–	196,193,800	188,693,800	–	188,693,800	166,058,800	–	166,058,800
13 PROVISIONS									
Provision for employee benefits	575,734	1,825,752	2,401,486	1,113,419	3,381,396	4,494,815	416,289	3,140,440	3,556,729
Provisions for major maintenance reserve	–	67,610,582	67,610,582	–	47,261,503	47,261,503	–	29,783,680	29,783,680
	575,734	69,436,334	70,012,068	1,113,419	50,642,899	51,756,318	416,289	32,924,120	33,340,409

NOTES FORMING PART OF ACCOUNTS (Contd.)

	Particulars	March 31, 2017			March 31, 2016			April 01, 2015		
		Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
		₹	₹	₹	₹	₹	₹	₹	₹	₹
14	**OTHER CURRENT LIABILITIES**									
	i) Other liabilities	3,172,998	–	3,172,998	1,676,161	–	1,676,161	16,675,480	–	16,675,480
	ii) Statutory payables	550,637	–	550,637	389,302	–	389,302	1,227,001	–	1,227,001
		3,723,635	–	3,723,635	2,065,463	–	2,065,463	17,902,481	–	17,902,481

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
		₹	₹	₹
15	**TRADE PAYABLES**			
	Due to related parties	668,428	5,491,043	11,258,105
	Due to others	28,205,106	25,987,815	959,796
		28,873,534	31,478,858	12,217,901
16	**CURRENT TAX LIABILITIES (NET)**			
	Liabilities for current tax (net)	30,943,612	38,278,000	31,855,000
	Less: Tax Deducted at Source / Advance tax paid	(27,858,336)	(33,771,454)	(29,369,318)
		3,085,276	4,506,546	2,485,682

F CONTINGENT LIABILITIES

Contingent liabilities - Nil (previous year - NIL)

	Particulars	2016-17		2015-16	
		₹	₹	₹	₹
17	**REVENUE FROM OPERATIONS**				
	Operating revenue:				
	Toll Collections		249,601,829		256,957,918
	Other operating revenue:				
	License fee from wayside amenities & others		1,212,566		801,322
			250,814,395		257,759,240

*National Highway Authority of India

NOTES FORMING PART OF ACCOUNTS (Contd.)

	Particulars	2016-17		*2015-16*	
		₹	₹	*₹*	*₹*
18	**OTHER INCOME**				
	Interest income from:				
	Bank deposits	**1,012,389**		*4,974,896*	
	Inter-corporate deposits	**101,868,142**		*67,051,891*	
			102,880,531		*72,026,787*
	Profit on sale of current investments		**19,217,764**		*67,732,406*
	Profit/(loss) on disposal of fixed assets		**12,991**		*(3,227)*
	Miscellaneous income		**495,869**		*300,511*
			122,607,155		*140,056,477*
19	**OPERATING EXPENSES**				
	Toll Management fees		**34,029,304**		*34,397,328*
	Security services		**16,500,419**		*14,426,762*
	Insurance		**807,120**		*652,701*
	Concession fee		**–**		*–*
	Repairs and maintenance				
	Toll road & bridge	**17,243,360**		*69,639*	
	Plant and machinery	**2,698,905**		*2,362,375*	
	Periodic major maintenance	**16,100,000**		*14,800,000*	
	Others	**1,458,622**		*3,131,536*	
			37,500,887		*20,363,550*
	Professional fees		**–**		*–*
	Power and fuel		**1,878,521**		*1,955,115*
	Claim for reimbursement of expenses		**(4,069,219)**		*–*
			86,647,032		*71,795,456*
20	**EMPLOYEE BENEFIT EXPENSES**				
	Salaries, wages and bonus		**9,006,161**		*9,233,244*
	Contributions to and provisions for:				
	Provident fund	**585,767**		*582,741*	
	Gratuity	**346,809**		*311,701*	
	Compensated absences	**92,302**		*493,699*	
	Retention pay	**(145,661)**		*145,661*	
	Others	**8,124**		*11,346*	
			887,341		*1,545,148*
	Staff welfare expenses		**1,199,851**		*1,215,197*
			11,093,353		*11,993,589*

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars	2016-17		2015-16	
	₹	₹	₹	₹
21 FINANCE COSTS				
Interest on borrowings		**73,374,532**		*92,954,482*
Other borrowing cost (specify nature)		**225,957**		*36,562*
Unwinding of discount and implicit interest expense on fair value		**4,261,518**		*2,692,824*
Claim for reimbursement of expenses		**(3,101,578)**		-
		74,760,429		*95,683,868*
22 ADMINISTRATION AND OTHER EXPENSES				
Rent, Rates and taxes		**13,189**		*14,592*
Professional fees (Refer note (a) below)		**19,970,647**		*21,065,249*
Postage and communication		**227,513**		*237,370*
Printing and stationery		**407,701**		*368,002*
Travelling and conveyance		**977,617**		*1,041,376*
Corporate social responsibility expenses (Refer note (b) below)		**4,705,110**		*408,239*
Repairs and Maintenance - Others		**171,136**		*743,794*
Miscellaneous expenses		**4,173,830**		*873,000*
		30,646,743		*24,751,622*

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

Particulars	2016-17	2015-16
	₹	₹
a) As auditor	**364,550**	*446,550*
b) For taxation matters	**103,500**	*196,654*
c) For company law matters	**–**	*13,740*
d) For other services	**69,000**	*109,577*
Total	**537,050**	*766,521*

(b) Details of Corporate social responsibility expenditure

(i) The amount required to be spent by the company on Corporate Social Responsibility (CSR) related activities during the year is ₹49,86,659 (previous year ₹48,84,092)

(ii) The details of amount recognized as expense in the Statement of Profit or Loss under Note 22 above on CSR related activites is follows

Particulars	₹	₹	₹
	Paid in cash	**Not paid in cash**	**Total**
Amount spent during the year ending on 31st March, 2017:			
i) Construction/acquisition of any asset	–	–	–
ii) On purposes other than (i) above	4,271,319	433,791	4,705,110
	4,271,319	**433,791**	**4,705,110**
Amount spent during the year ending on 31st March, 2016:			
i) Construction/acquisition of any asset	–	–	–
ii) On purposes other than (i) above	408,239	–	408,239
	408,239	**–**	**408,239**

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars	2016-17		2015-16	
	₹	₹	₹	₹
23 OTHER COMPREHENSIVE INCOME/(EXPENSE)				
Reclassifiable to profit or loss in subsequent periods		–		–
Not reclassifiable to profit or loss in subsequent periods				
Re-estimation of provision for defined benefit plan	**169,907**		*(721,690)*	
Less: Tax on the adjustment	**(58,801)**		*154,020*	
		111,106		*(567,670)*
		111,106		*(567,670)*

H NOTES FORMING PART OF ACCOUNTS

1 Corporate Information

L&T Transportation Infrastructure Limited is a Special Purpose Vehicle (SPV) incorporated for the purpose of the construction of a bypass and a bridge over the River Noyyal (known as Athupalam bridge) in Coimbatore District in the state of Tamil Nadu, under Build, Operate and Transfer (BOT) basis based on the Concession Agreement dated 3rd October 1997 with Ministry of Surface Transport, Government of India and Department of Highways, Government of Tamilnadu. The Company had completed construction of the Athupalam bridge on December 11, 1998 and the bypass on January 18, 2000. The concession period is 21 years for Athupalam bridge and 32 years for the bypass including the construction period.

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

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

(i) Defined contribution plan:

An amount of ₹5,85,767 (previous year : ₹5,82,741) being contribution made to recognised provident fund is recognised as expense and included under Employee benefit expense (Note M) in the Statement of Profit and loss.

(ii) Defined benefit plans: Gratuity Plan

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

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

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

Particulars	As at March 31, 2017	*As at March 31, 2016*
	₹	₹
A) Present value of defined benefit obligation		
- Wholly funded		–
- Wholly unfunded	**2,453,452**	*2,224,532*
	2,453,452	*2,224,532*
Less : Fair value of plan assets	**2,120,675**	–
Amount to be recognised as liability or (asset)	**332,777**	*2,224,532*
B) Amounts reflected in the Balance Sheet		
Liabilities	**332,777**	*2,224,532*
Assets	**–**	–
Net Liability / (asset)	**332,777**	*2,224,532*

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

Particulars		As at March 31, 2017	As at March 31, 2016
		₹	₹
1	Current service cost	**181,438**	*168,388*
2	Interest on Defined benefit obligation	**165,371**	*143,313*
		346,809	*311,701*

d) Remeasurement recognized in other comprehensive income

Particulars	As at March 31, 2017	As at March 31, 2016
	₹	₹
Components of actuarial gain/losses on obligations		
Due to change in financial assumptions	**138,642**	*110,018*
Due to change in demographic assumption	**–**	*65,258*
Due to experience adjustments	**(249,563)**	*546,414*
Return on plan assets excluding amounts included in interest income	**(58,986)**	–
	(169,907)	*721,690*

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

Particulars	As at March 31, 2017	As at March 31, 2016
	₹	₹
Opening defined benefit obligation	**2,224,532**	*1,727,788*
Current service cost	**181,438**	*168,388*
Interest cost	**158,403**	*143,313*
Actuarial losses/(gains)		
Due to change in financial assumptions	**138,642**	*110,018*
Due to change in demographic assumption	**–**	*65,258*
Due to experience adjustments	**(249,563)**	*546,414*
Benefits paid	**–**	*(536,647)*
Closing balance of the present value of defined benefit obligation	**2,453,452**	*2,224,532*

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

Particulars	As at March 31, 2017	As at March 31, 2016
	₹	₹
Opening balance of fair value of plan assets	**–**	–
Interest Income	**(6,968)**	–
Return on plan assets excluding amounts included interest income	**58,986**	–
Contribution by employer	**2,068,657**	–
Contribution by plan participants	**–**	–
Benefits paid	**–**	–
Closing balance of fair value of plan assets	**2,120,675**	–

NOTES FORMING PART OF ACCOUNTS (Contd.)

g) Principal actuarial assumptions at the Balance Sheet date:

Particulars	**As at March 31, 2017**	*As at March 31, 2016*
	₹	₹
1) Discount rate	**6.95%**	*7.75%*
2) Salary growth rate	**6.00%**	*6.00%*
3) Attrition rate	**3% to 15% based on age band**	*3% to 15% based on age band*

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Change	Obligation	Change	Obligation
i) Discount rate	+0.5%	2,365,298	+0.5%	2,150,134
	-0.5%	2,546,942	-0.5%	2,303,391
ii) Salary growth rate	+0.5%	2,547,348	+0.5%	2,304,013
	-0.5%	2,364,121	-0.5%	2,148,927
iii) Withdrawal rate varied by 10%	WR x 100%	2,333,551	NIL	NIL
	WR x 90%	2,333,551	NIL	NIL

i) The major categories of plan assets of the fair value of the total plan assets are as follows :

Particulars	**As at March 31, 2017**	*As at March 31, 2016*	*As at April 01, 2015*
Managed by the insurer	**2,120,675**	–	–
Total	**2,120,675**	–	–

4 Disclosure pursuant to Ind AS 23 "Borrowing Costs"

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

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

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

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

a) List of related parties

Ultimate Holding Company :	Larsen & Toubro Limited
Holding Company :	L&T Infrastructure Development Projects Limited
Fellow Subsidiaries :	L&T Krishnagiri Walajahpet Tollway Limited
	L&T BPP Tollway Limited
	L&T Chennai – Tada Tollway Limited
	Vadodara Bharuch Tollway Limited
	L&T Samakhiali Gandhidham Tollway Ltd
	L&T Deccan Tollways Limited
	L&T General Insurance Company Limited
Key Managerial personnel	Sathish Kumar K.V (w.e.f 28th April 2016) - Manager
	Koshy Varghese - Independent Director
	N Raghavan - Independent Director

NOTES FORMING PART OF ACCOUNTS (Contd.)

	Particulars	2016-17	*2015-16*
		₹	*₹*
b)	**Disclosure of related party transactions:**		
	Nature of transaction		
	Holding company		
	L&T Infrastructure Development Projects Limited		
	• Intercorporate deposits placed	**1,750,000,000**	*1,750,000,000*
	• Intercorporate deposits refunded	**1,750,000,000**	*1,750,000,000*
	• Interest received on Intercorporate deposit	**100,791,101**	*64,544,339*
	• Purchase of goods and services	**15,356,117**	*14,093,336*
	• Refundable deposit received for directors' nomination	**100,000**	*200,000*
	• Refundable deposit refunded for directors' nomination	**100,000**	*400,000*
	• Reimbursement of expenses to	**2,722,603**	*33,902*
	• Reimbursement of expenses from	**–**	*261,454*
	Ultimate Holding Company		
	Larsen & Toubro Limited		
	• Purchase of goods and services	**1,242,601**	*2,335,477*
	• Reimbursement of expenses	**644,134**	*1,073,281*
c)	**Fellow Subsidiaries**		
	L&T Krishnagiri Walajahpet Tollway Limited		
	• Intercorporate deposits placed/(refunded)	**(15,000,000)**	*15,000,000*
	• Interest received on Intercorporate deposit	**1,077,041**	*454,426*
	L&T BPP Tollway Limited		
	• Intercorporate deposits placed	**–**	*67,200,000*
	• Intercorporate deposits refunded	**–**	*67,200,000*
	• Interest received on Intercorporate deposit	**–**	*393,139*
	• Reimbursement of expenses from	**–**	*40,578*
	L&T Chennai – Tada Tollway Limited		
	• Purchase of Asset	**8,968**	*5*
	• Reimbursement of expenses from	**–**	*7,347*
	L&T Vadodara Bharuch Tollway Limited		
	• Intercorporate deposits placed	**–**	*50,000,000*
	• Intercorporate deposits refunded	**–**	*50,000,000*
	• Interest received on Intercorporate deposit	**–**	*1,659,986*
	• Reimbursement of expenses from	**–**	*15,081*
	L&T Samakhiali Gandhidham Tollway Ltd		
	• Purchase of Asset	**1**	*–*
	L&T Deccan Tollways Limited		
	• Reimbursement of expenses to	**35,500**	*–*

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars	2016-17	2015-16
	₹	₹
L&T General Insurance Company Limited		
• Insurance premium paid	–	*659,453*
Key management personnel		
Payment of Salaries / Perquisites		
• Sathish Kumar K.V (w.e.f 28th April 2016)	**1,342,740**	–
• Sreedhar Vasudevan	–	*1,536,000*
Payment of Sitting Fee (excl. Service Tax)		
• Koshy Varghese	**150,000**	*160,000*
• N Raghavan	**205,000**	*135,000*

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

Particulars	Amounts due (to)/from	
	As at March 31, 2017	*As at March 31, 2016*
Holding Company		
L&T Infrastructure Development Projects Limited	(227,314)	1,749,956,706
Ultimate Holding Company		
Larsen & Toubro Limited	(441,074)	(1,269,550)
Fellow Subsidiaries	–	–
L&T Chennai – Tada Tollway Limited	(8,968)	15,408,983

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.

7 Disclosure pursuant to Ind AS 12 - "Income taxes"

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

Particulars	As at March 31, 2017	As at March 31, 2016
	₹	₹
Current income Tax :		
Current income tax charge	**54,544,000**	*38,278,000*
Adjustments of current tax of previous year	–	–
Deferred Tax		
Relating to origination and reversal of temporary differences	**(15,826,246)**	*1,188,623*
Relating to rate change or imposition of new taxes	**(29,440,123)**	–
MAT Credit entitlement	**(138,400,000)**	*(62,810,000)*
Income tax reported in the statement of profit and loss	**(129,122,369)**	*(23,343,377)*

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

Particulars	**As at March 31, 2017**	*As at March 31, 2016*
	₹	₹
Accounting profit before tax from continuing operations	**141,704,179**	*164,466,381*
At India's Statutory income tax rate of 34.608% (31 March 2016 - 34.608%)	**49,040,982**	*56,918,525*
Change in profits on account of translational adjustments	**–**	*5,141,154*
Deductions under chapter VI of Income Tax Act	**–**	*(43,818,871)*
MAT credit entitlement	**–**	*16,901,580*
Other non deductible expenses	**5,503,017**	*3,135,611*
Tax as per Statement of Profit and Loss	**54,544,000**	*38,278,000*

Deferred Tax

Major components of Deferred tax liabilities and assets

Particulars	**As at March 31, 2017**	*As at March 31, 2016*	*As at April 01, 2015*
	₹	₹	₹
Property, plant and equipment	**(145,938,013)**	*(194,174,998)*	*(193,953,750)*
Provisions - Major maintenance	**(1,784,163)**	*(3,092,397)*	*(3,050,114)*
Investments at fair value through profit or loss	**(267,249)**	*(408,002)*	*(5,586,248)*
Borrowings	**(4,985)**	*(10,289)*	*(15,481)*
Provisions - employee benefits	**526,547**	*1,170,234*	*1,086,843*
Provision for doubtful trade receivables	**3,269,418**	*3,269,418*	*3,269,418*
MAT Credit Entitlement	**177,421,612**	*62,810,000*	-
Net Deferred Tax Assets/ (Liabilities)	**33,223,167**	*(130,436,034)*	*(198,249,331)*

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

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

Particulars		**As at March 31, 2017**	*As at March 31, 2016*
		₹	₹
Basic and Diluted			
Profit after tax as per accounts (₹)	A	**270,885,349**	*188,377,428*
Weighted average number of shares outstanding	B	**41,400,000**	*41,400,000*
Basic and Diluted EPS (₹)	A / B	**6.54**	*4.55*
Face value per equity share (₹)		**10.00**	*10.00*

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

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

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

a) **Nature of provisions:**

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

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

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

The company expects to incur the expenditure during the year 2018-19

NOTES FORMING PART OF ACCOUNTS (Contd.)

b) Movement in provisions:

Particulars	**Major maintenance provision**	
	As at March 31, 2017	*As at March 31, 2016*
Opening balance	47,261,503	29,783,680
Additional provision	16,100,000	14,800,000
Unwinding of discount and changes in discount rate	4,249,079	2,677,823
Total (Closing balance)	67,610,582	47,261,503

c) Contingent liabilities :

Contingent liabilities as at March 31, 2017 ₹ Nil (previous year: ₹ Nil)

d Contingent assets :

Arbitration with MoRTH

During the year 2009-10, the Company had received a termination notice from the Ministry of Road Transport and Highways, Government of India, (MoRTH). The Company moved the honourable High Court, New Delhi, against the notice served and the court vide its order dated January 21, 2010, directed that status-quo be maintained till the Steering Group constituted under the Concession Agreement decides on the dispute.

Subsequent to the Steering Group's meeting, the Company invoked arbitration and pending arbitration filed a petition with the High Court of Delhi, seeking interim injunction and restraining MoRTH, from taking possession of the Project and to permit the Company to collect Toll. The High Court in its order dated March 26, 2010, restrained MoRTH from taking over the possession of the project except through the due process of courts and law thereby allowing the Company to continue to collect Toll.

Arbitral Tribunal has been constituted as per the terms of the Concession Agreement. Pleadings and arguments by both parties concluded on November 30, 2013 following which written submissions have been filed with the Arbitral Tribunal. Arbitral Tribunal has pronounced the Award on December 12, 2014 in favour of the Company stating that the termination of Concession by MORTH is illegal, unwarranted and violative of stipulations in the Concession Agreement. The Tribunal also awarded, inter alia, compensation to be paid to the Company for loss of revenue at Athupalam Bridge and suitable extension of the concession period.

MoRTH has challenged the award on March 12, 2015 seeking stay of the aforesaid Tribunal award and the case has been moved to Commercial Appelliate Court of the Delhi High Court during the year. The matter was heard and was transferred to the division of Court set up for hearing cases filed under section 34 of the Arbitration and Conciliation Act 1996. The case was due for hearing on February 21, 2017 and was adjourned till May 18, 2017.

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

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

(Ind AS 1 requires the company to make quantitative and qualitative disclosures regarding objectives policies and processes for managing capital. Also, if comparitive amounts are reclassified, nature amount and reason to be disclosed and not just the fact of reclassification.)

12 First time adoption of Ind AS

These financial statements, for the year ended 31 March 2016, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2015, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2016, together with the comparative period data as at and for the year ended 31 March 2015, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2014, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2014 and the financial statements as at and for the year ended 31 March 2015.

NOTES FORMING PART OF ACCOUNTS (Contd.)

RECONCILIATION OF EQUITY AS AT 1ST APRIL 2015

Particulars	**Note No.**	**Indian GAAP*** ₹	**Adjustments** ₹	**Ind AS** ₹
ASSETS				
Non-current assets				
a) Property, Plant and Equipment	**1**	3,792,093	–	3,792,093
b) Capital work-in-progress	**2**	–	–	–
c) Intangible assets	**3**	762,357,797	–	762,357,797
d) Financial Assets				
i) Loans	**5**	341,480	–	341,480
e) Deferred tax assets (net)		–	–	–
f) Other non-current assets	**6**	336,253	–	336,253
	A	766,827,623	–	766,827,623
Current assets				
a) Inventories				
a) Financial Assets				
i) Investments	**7**	1,470,160,347	16,141,493	1,486,301,840
iii) Cash and bank balances	**9**	330,046,822	–	330,046,822
iv) Loans	**5**	–	–	–
b) Other current assets	**6**	1,132,431	–	1,132,431
	B	1,801,339,600	16,141,493	1,817,481,093
Total Assets	**A+B**	**2,568,167,223**	**16,141,493**	**2,584,308,716**
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share capital	**10**	414,000,000	–	414,000,000
b) Other Equity	**11**	949,040,018	24,999,544	974,039,562
	C	1,363,040,018	24,999,544	1,388,039,562
LIABILITIES				
Non-current liabilities				
a) Financial liabilities				
i) Borrowings	**12**	776,032,421	(44,731)	775,987,690
b) Provisions	**14**	41,737,440	(8,813,320)	32,924,120
c) Deferred tax liabilities (net)		188,276,191	–	188,276,191
	D	1,006,046,052	(8,858,051)	997,188,001
Current liabilities				
a) Financial liabilities				
i) Borrowings	**12**	–	–	–
i) Trade payables	**16**	12,217,901	–	12,217,901
ii) Other financial liabilities	**13**	166,058,800	–	166,058,800
b) Other current liabilities	**15**	17,902,481	–	17,902,481
c) Provisions	**14**	416,289	–	416,289
d) Current tax liabilities (net)	**17**	2,485,682	–	2,485,682
	E	199,081,153	–	199,081,153
Total Equity and Liabilities	**C+D+E**	**2,568,167,223**	**16,141,493**	**2,584,308,716**

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

RECONCILIATION OF EQUITY AS AT 31ST MARCH 2016

Particulars	Note No.	Indian GAAP* ₹	Adjustments ₹	Ind AS ₹
ASSETS				
Non-current assets				
a) Property, Plant and Equipment	1	1,929,572	–	1,929,572
b) Capital work-in-progress	2	-	–	–
c) Intangible assets	3	736,052,412	–	736,052,412
d) Financial Assets				
i) Loans	4	343,070	–	343,070
e) Deferred tax assets (net)		-	–	–
f) Other non-current assets	5	318,593	–	318,593
	A	738,643,647	–	738,643,647
Current assets				
a) Financial Assets				
i) Investments	6	52,992,160	1,178,924	54,171,084
ii) Trade receivables	7	-	–	–
iii) Cash and bank balances	8	6,706,908	–	6,706,908
iv) Loans	4	1,769,587,182	–	1,769,587,182
b) Other current assets	5	398,989	–	398,989
	B	1,829,685,239	1,178,924	1,830,864,163
Total Assets	**A+B**	**2,568,328,886**	**1,178,924**	**2,569,507,810**
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share capital	9	414,000,000	–	414,000,000
b) Other Equity	10	1,151,137,500	10,711,820	1,161,849,320
	C	1,565,137,500	10,711,820	1,575,849,320
LIABILITIES				
Non-current liabilities				
a) Financial liabilities				
i) Borrowings	11	588,532,421	(29,730)	588,502,691
b) Provisions	13	59,578,395	(8,935,496)	50,642,899
c) Deferred tax liabilities (net)		126,654,814	–	126,654,814
	D	774,765,630	(8,965,226)	765,800,404
Current liabilities				
a) Financial liabilities				
i) Trade payables	15	4,491,048	–	4,491,048
ii) Other financial liabilities	12	188,693,800	–	188,693,800
b) Other current liabilities	14	29,133,655	–	29,133,655
c) Provisions	13	1,033,037	–	1,033,037
d) Current tax liabilities (net)	16	4,506,546	–	4,506,546
	E	227,858,086	–	227,858,086
Total Equity and Liabilities	**C+D+E**	**2,567,761,216**	**1,746,594**	**2,569,507,810**

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

Particulars	Note No.	Indian GAAP* ₹	Adjustments ₹	Ind AS ₹
REVENUE				
Revenue from operations	**17**	257,759,240	–	257,759,240
Other income	**18**	155,019,046	(14,962,569)	140,056,477
Total income		**412,778,286**	**(14,962,569)**	**397,815,717**
EXPENSES				
Cost of materials consumed		–		
Operating expenses	**19**	74,595,456	(2,800,000)	71,795,456
Employee benefits expense	**20**	12,561,259	(567,670)	11,993,589
Finance costs	**21**	92,991,044	2,692,824	95,683,868
Depreciation, amortisation and obsolescence		28,403,111	–	28,403,111
Administration and other expenses	**22**	24,751,622	–	24,751,622
Total expenses		**233,302,492**	**(674,846)**	**232,627,646**
Profit/(loss) before tax		**179,475,794**	**(14,287,723)**	**165,188,071**
Tax Expense:				
Current tax		38,432,020	–	38,432,020
MAT credit entitlement		–		-
Deferred tax		(61,621,377)	–	(61,621,377)
		(23,189,357)	**–**	**(23,189,357)**
Profit/(loss) for the year		**202,665,151**	**(14,287,723)**	**188,377,428**
Other comprehensive income:		**–**	**(567,670)**	**(567,670)**
i) Items that will not be reclassified to profit or loss (net of tax)		–	(567,670)	(567,670)
Total comprehensive income for the year		**202,665,151**	**(14,855,393)**	**187,809,758**

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

Earnings per equity share (basic and diluted) (₹)	4.90
Face value per equity share (₹)	10.00

13 Transition adjustments

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

(i) Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised over the tenor of the loan. For transition to IndAS, such transaction costs are adjusted with the fair value of the borrowings on initial recognition. Interest on the borrowings is accounted under the Effective Interest Rate method (EIR). Accordingly borrowings as at 31 March 2015 have been reduced by ₹ 44,731 with an effect of the same amount (₹ 44,731) to retained earnings.

(ii) Provisions

Under Indian GAAP, the Company had accounted for provisions, including the provision periodic major maintenance at the amounts expected to settle the obligation on an undiscounted basis since the previous GAAP prohibited discounting of provisions other than employee benefits. For transition to Ind AS, the provisions are recognised at the present value of the expenditure expected to be required to settle the obligation. The difference between the carrying amount of provisions under IndAS and IGAAP is accounted for in the opening reserves amounting to ₹ 88,13,320. Consequently, provision for periodic major maintenance as at the transition date is adjusted to the extent of ₹ 88,13,320.

NOTES FORMING PART OF ACCOUNTS (Contd.)

(iii) Current investments

Under Indian GAAP, investment in mutual funds were stated at lower of cost and fair value. Any gain/loss on disposal was accounted for in the statement of profit and loss. For transition, mutual fund investments are categorised as Financial instruments at Fair Value Through Profit or Loss (FVTPL). Any unrealised gains/losses are included in the carrying amount of such investments as at the reporting date. Consequently the carrying amount of mutual fund investments is increased by ₹ 1,61,41,493 with a corresponding increase in the reserves.

14 Disclosure pursuant to Ind AS 17 - " Leases"

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

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

Particulars	**SBNs**	**Other Denomination notes**	**Total**
Closisng Cash in hand as on 08/11/2016	578,500	273,581	852,081
(+) Permitted receipts	551,000	10,401,003	10,952,003
(-) Permitted payments	–	2,942,049	2,942,049
(-) Amount deposited in Banks	1,129,500	6,554,917	7,684,417
Closing cash in hand as on 30/12/2016	**–**	**1,177,618**	**1,177,618**

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

16 Claim for reimbursement of expenses represents the amount of claim raised with NHAI vide Clause 16.6.3 of the Concession agreement with MoRTH for reimbursement of the expenses incurred during the suspension of tolling, on account of demonetization of currencies, during the period 9th Nov 2016 to 2nd Dec 2016. The claim has been placed in accordance with the Ministry directive dated 29 Nov 2016 for reimbursement of expenses incurred during the suspension period.

17 Financial Instruments

Disclosure of Financial Instruments by Category

Financial instruments by categories	**Note no.**	**As at March 31, 2017**			*As at March 31, 2016*			*As at April 01, 2015*		
		FVTPL	**FVTOCI**	**Amortized cost**	*FVTPL*	*FVTOCI*	*Amortized cost*	*FVTPL*	*FVTOCI*	*Amortized cost*
Financial asset										
Security Deposits	5	–	–	343,070	–	–	343,070	–	–	341,480
Investments	6	1,560,809,295	–		54,171,084	–	–	1,486,301,840	–	–
Trade receivables	7	–	–	–	–	–	–	–	–	–
Cash and cash equivalents	8	–	–	229,411,083	–	–	6,706,908	–	–	330,046,822
Other Current Financial Asset	4	–	–	7,170,797	–	–	1,769,587,182	–	–	–
Total Financial Asset		1,560,809,295	–	236,924,950	54,171,084	–	1,776,637,160	1,486,301,840	-	330,388,302
Financial liability										
Term Loan from Banks	11	–	–	393,746,604	–	–	588,502,691	–	–	775,987,690
Revenue Share Payable to GSRDC (Including Interest)	12	–	–	–	–	–	–	–	–	
Other Current Financial Liabilities	12	–	–	196,193,800	–	–	188,693,800	–	–	166,058,800
Trade Payables	15	–	–	28,873,534	–	–	31,478,858	–	–	12,217,901
Total Financial Liabilities		–	–	618,813,938	–	–	808,675,349	–	–	954,264,391

Default and breaches

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

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

18 Fair value of Financial asset and liabilties at amortized cost

Particular	Note no.	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets							
Security Deposits	5	343,070	343,070	343,070	343,070	341,480	341,480
Cash and cash equivalents	8	229,411,083	229,411,083	6,706,908	6,706,908	330,046,822	330,046,822
Other Current Financial Asset	4	7,170,797	7,170,797	1,769,587,182	1,769,587,182	–	–
Total Financial Assets		236,924,950	236,924,950	1,776,637,160	1,776,637,160	330,388,302	330,388,302
Financial liability							
Term Loan from Banks	11	393,746,604	393,746,604	588,502,691	588,502,691	775,987,690	775,987,690
Other Current Financial Liabilities	12	196,193,800	196,193,800	188,693,800	188,693,800	166,058,800	166,058,800
Total Financial Liabilities		589,940,404	589,940,404	777,196,491	777,196,491	942,046,490	942,046,490

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

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

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

19 Fair Value Measurement

Fair Value Measurement of Financial asset and Financial liabilties

Fair value hierarchy

As at March 31, 2017

Financial Asset & Liabilites Measured at FV - Recurring FVM	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL					
Investments in Mutual Funds	6	1,560,809,295	–	–	1,560,809,295
Total of Financial Assets		**1,560,809,295**	**–**	**–**	**1,560,809,295**
Financial Liabilities measured at FVTPL		**–**	**–**	**–**	**–**
Total of Financial Liabilities		**–**	**–**	**–**	**–**
Financial Asset & Liabilites Measured at Amortized cost for which fair values are to be disclosed					
Financial Assets					
Security Deposits	5	–	–	343,070	343,070
Total of Financial Assets		**–**	**–**	**343,070**	**343,070**
Financial Liabilities					
Term Loan from Banks	11	–	393,746,604	–	393,746,604
Other Current Financial Liabilities	12	–	196,193,800	–	196,193,800
Total Financial liabilties		**–**	**589,940,404**	**–**	**589,940,404**

NOTES FORMING PART OF ACCOUNTS (Contd.)

Financial Asset & Liabilites Measured at FV - Recurring FVM	Note No.	Level 1	Level 2	Level 3	Total
As at March 31, 2016					
Financial Asset & Liabilites Measured at FV - Recurring FVM					
Financial asset measured at FVTPL					
Investments in Mutual Funds	6	54,171,084	–	–	54,171,084
Total of Financial Assets		**54,171,084**	**–**	**–**	**54,171,084**
Financial Liabilitieis measured at FVTPL		–	–	–	–
Total of Financial Liabilities		–	–	–	–
Financial Asset & Liabilites Measured at Amortized cost for which fair values are to be disclosed					
Financial Assets					
Security Deposits	5	–	–	343,070	343,070
Total Financial Assets		**–**	**–**	**343,070**	**343,070**
Financial Liabilities					
Term Loan from Banks	11	–	588,502,691	–	588,502,691
Other Current Financial Liabilities	12	–	187,500,000	1,193,800	188,693,800
Total Financial Liabilities		**–**	**776,002,691**	**1,193,800**	**777,196,491**
As at April 01, 2015					
Financial Asset & Liabilites Measured at FV - Recurring FVM					
Financial asset measured at FVTPL					
Investments in Mutual Funds	6	1,486,301,840	–	–	1,486,301,840
Total of Financial Assets		1,486,301,840	–	–	1,486,301,840
Financial Liabilitieis measured at FVTPL		–	–	–	–
Total of Financial Liabilities		–	–	–	–
Financial Asset & Liabilites Measured at Amortized cost for which fair values are to be disclosed					
Financial Assets					
Security Deposits	5	–	–	341,480	341,480
Total of Financial Assets		–	–	341,480	341,480
Financial Liabilities					
Term Loan from Banks	11	–	775,987,690	–	775,987,690
Other Current Financial Liabilities	12	–	165,000,000	1,058,800	166,058,800
Total of Financial Liabilities		–	940,987,690	1,058,800	942,046,490

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

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

Valuation technique and inputs used to determine fair value

Financial assets and liabilities	**Valuation method**	**Inputs**
Financial assets		
Investment in Mutual Funds	Market Approach	NAV
Security deposit	Income	Cash flow
Financial liabilities		
Term Loan from Banks	Income	Effective rate of borrowing
Other Current Financial Liabilities	Income	Effective rate of borrowing

20 Asset pledged as security

Particulars	**Note no**	**31.03.2017**	*31.03.2016*	*01.04.2015*
Non Financial Asset				
Property, Plant & Equipment	1	**1,989,521**	*1,929,572*	*3,792,093*
Capital work-in-progress	2	**1,053,917**	–	–
Financial Asset				
Investments	6	**1,560,809,295**	*54,171,084*	*1,486,301,840*
Trade receivables	8	**229,411,083**	*6,706,908*	*330,046,822*
Other Financial Asset	4	**–**	*1,769,587,182*	–
TOTAL		**1,793,263,816**	*1,832,394,746*	*1,820,140,755*

21 Financial Risk Management

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

A) Market risk

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

i Foreign Currency Risk

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

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

ii Interest rate risk

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

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

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

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

Particulars	**31.03.2017**	*31.03.2016*	*01.04.2015*
Senior Debt from Banks - Variable rate borrowings	**588,746,604**	*776,002,691*	*940,987,690*

NOTES FORMING PART OF ACCOUNTS (Contd.)

Sensitivity analysis based on average outstanding Senior Debt

Interest Rate Risk Analysis	Impact on profit/ loss after tax	
	FY 2016-17	*FY 2015-16*
Increase or decrease in interest rate by 25 basis points	**1,705,937**	*2,146,238*

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

iii Price risk

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

The company measures risk through sensitivity analysis.

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

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

Particulars	**Note No.**	**31.03.2017**	*31.03.2016*	*01.04.2015*
Investments in Mutual Funds		**1,560,809,295**	*54,171,084*	*1,486,301,840*

Sensitivity Analysis

	Impact on profit/ loss after tax	
	31.03.2017	*31.03.2016*
Increase or decrease in NAV by 1%	**15,608,093**	*541,711*

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

B) Liquidity risk

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

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

The company measures risk by forecasting cash flows.

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

The following are the contractual maturities of financial liabilities

As at March 31, 2017	**Carrying Amount**	**upto 1 year**	**1 - 2 years**	**2 - 5 years**	**> 5 years**
Non Derivative Financial Liability					
Senior Debt from Banks	588,746,604	195,000,000	195,000,000	198,746,604	–
Trade Payables	2,140,396	2,140,396			
Derivative Financial Liability	NIL	NIL	NIL	NIL	NIL
As at March 31, 2016					
Non Derivative Financial Liability					
Senior Debt from Banks	776,002,691	187,500,000	195,000,000	393,502,691	–
Trade Payables	4,491,048	4,491,048			
Derivative Financial Liability	NIL	NIL	NIL	NIL	NIL
As at April 01, 2015	Carrying Amount	upto 1 year	1 – 2 years	2 – 5 years	> 5 years
Non Derivative Financial Liability					
Senior Debt from Banks	940,987,690	165,000,000	187,500,000	588,487,690	
Trade Payables	12,217,901	12,217,901			
Derivative Financial Liability	NIL	NIL	NIL	NIL	NIL

NOTES FORMING PART OF ACCOUNTS (Contd.)

C) Credit risk

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

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

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

22.1 Description and classification of the arrangment

L&T Transportation Infrastructure Limited is a Special Purpose Vehicle (SPV) incorporated for the purpose of the construction of a bypass and a bridge over the River Noyyal (known as Athupalam bridge) in Coimbatore District in the state of Tamil Nadu, under Build, Operate and Transfer (BOT) basis based on the Concession Agreement dated 3rd October 1997 with Ministry of Surface Transport, Government of India and Department of Highways, Government of Tamilnadu. The Company had completed construction of the Athupalam bridge on December 11, 1998 and the bypass on January 18, 2000. The concession period is 21 years for Athupalam bridge and 32 years for the bypass including the construction period. As per the CA, the company is entitled to charge users of the usage of the road asset, hence the service arrangement has been classified as Intangible Asset.

22.2 Significant Terms of the arrangements

i) Revision of Fees:

Fees shall be revised annually on April 01 subject to the provisions Clause 1.2.1 of Section II of the Concession Agreement (CA) dated October 03, 1997

ii) Rights of the Company for use Project Highway

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

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

iii) Obligation of the Company

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

b The company is under obligation to carry out the routine and periodic maitenance of Project Highway as per Clause 7.5.5 of Section I of the CA

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

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

v) Details of Termination

CA can be terminated on account of default of the company or MoRTH in the circumstances as specified under Clause 16 of Section I of the CA.

I. SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of preparation

(a) Compliance with IndAS

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

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

These financial statements are the first financial statements of the Company under IndAS.

NOTES FORMING PART OF ACCOUNTS (Contd.)

(b) Basis of measurement

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

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

(c) Use of estimates and judgements

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

(d) Measurement of fair values

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

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

2 Presentation of financial statements

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

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

3 Revenue recognition

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

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

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

b) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate. Interest Income on non-performing assets is recognised upon realization, as per guidelines issued by the Reserve Bank of India.

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

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

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

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

4 Cash and bank balances

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

5 Cash flow statement

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

(a) transactions of a non-cash nature;

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

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

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

6 Property, plant and equipment (PPE)

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

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

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

Depreciation on additions / deductions is calculated pro-rata from / to the month of additions / deductions. For the assets that are transferred / sold within the group companies, depreciation is calculated up to the month preceding the month of transfer / sale within the group.

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:	
Toll equipment	7
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
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.

NOTES FORMING PART OF ACCOUNTS (Contd.)

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.

Assets valued below ₹ 5,000/- are written off in the year of purchase / capitalisation.

7 Amortisation of intangible assets

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

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

8 Exceptional items

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

9 Intangible assets

a) Rights under Service Concession Arrangements

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

Toll Projects (Right to charge users)

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

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

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

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

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

10 Foreign currency transactions and translations

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

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

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

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

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

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

11 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.

NOTES FORMING PART OF ACCOUNTS (Contd.)

12 Employee benefits

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

(i) Short term employee benefits

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

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

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

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

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

(ii) Post employment benefits

(a) Defined contribution plans:

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

(b) Defined benefit plans:

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

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

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

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

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

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

(iii) Other long term employee benefits:

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

13 Borrowing costs

Borrowing costs include interest calculated using the effective interest method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. 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.

14 Segment reporting

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

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

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

15 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.

16 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.

17 Income taxes

The income tax expense or credit for the year is the tax payable on current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates, positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset when it is highly probable that future economic benefit associated with it will flow to the entity.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However deferred income tax is not accounted if it arises from the initial recognition of an asset or liability that at the time of the transaction affects neither the accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset/liability is realised or settled.

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

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

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

18 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.

19 Provisions, contingent liabilities and contingent assets

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

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

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

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

20 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 (unless the same are designated as fair value through profit or loss (FVTPL)):

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

A financial asset is primarily derecognised when:

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

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

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

b) Financial Liabilities

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

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

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

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

21 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.

22 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.

23 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.

24 Commitments

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

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

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

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

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

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

Note A: First time adoption of Ind AS

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

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

As per our report attached

For and on behalf of the Board

SHARP & TANNAN
Chartered Accountants
Firm registration No. 003792S
By the hand of

P RAJESH KUMAR	**U. POOVARASAN**	**K.SRINATHAN**	**R G RAMACHANDRAN**	**MATHEW GEORGE**
Partner	*Chief Financial Officer*	*Company Secretary*	*Director*	*Director*
Membership No. 225366		*M. No. A12711*	*DIN: 02671982*	*DIN: 07402208*

Place : Chennai
Date : April 27, 2017

Place : Chennai
Date : April 27, 2017