BOARD'S REPORT

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

FINANCIAL RESULTS

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

Particulars	2016-17	2015-16
	₹ In crore	₹ In crore
Profit Before Depreciation, exceptional and extra ordinary items & Tax	(220.47)	(122.08)
Less: Depreciation, amortization and obsolescence	0.04	20.47
Profit before exceptional and extraordinary items and tax	(220.51)	(142.55)
Profit / (Loss) before tax	(220.51)	(142.55)
Less: Provision for tax	–	–
Profit after tax from continuing operations	(220.51)	(142.55)
Add: Balance brought forward from previous year	(358.26)	(215.70)
Balance carried to Balance Sheet	(578.78)	(358.26)

RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

The Company was set up as a SPV for widening of existing 2 lane carriageway to 6 lane divided carriageway configuration of Pimpalgaon-Nashik-Gonde (km 380.00 to km 440.00) section of NH-3 in the State of Maharashtra, awarded by the National Highways Authority of India (NHAI). The Project achieved completion of 45.445 km of road portion on August 18, 2012 and tolling started from October 02, 2012. SPV achieved aggregate completion of 55.161 km on March 10, 2014 and tolling started from May 24, 2014. Toll Revenues are the only source of income for the Company to meet all its obligations primarily comprising cost of Operations and Maintenance, debt servicing and also returns on the capital invested by the Promoters viz. L&T, L&TIDPL and ABL. However the Company has been facing protests by various political parties demanding exemption of payment of toll from vehicles registered in Nashik (MH-15) and Malegaon (MH-41) leading to violence since October, 2012. Thus, there was a Force Majeure Event subsisting at the Toll Plaza ever since the commercial operations began affecting its ability to exercise the Company rights to collect toll, leading to a significant loss of toll revenue. The situation was brought to the notice of all concerned and a writ petition was also filed by the Company, in the High Court of Judicature at Bombay to direct the State Government of Maharashtra to ensure necessary security at the Toll Plaza to ensure law and order at the Toll Plaza so that the Company could implement the Fee Notification peacefully. However even after necessary directions to the State Government by the Honourable High Court to ensure necessary law and order support for ensuring collection of full toll revenues by the Company, there was no improvement in the enforcement of law and order. Due to these Force Majeure conditions continuing, the Concessionaire has suffered heavy losses amounting to ₹ 120 crore as on November, 2015.

As the violations at the Toll Plaza too increased and as there being no assurance from the State Government to either curb these violations or compensate the Concessionaire for the losses suffered, the Concessionaire was left with no other option but to terminate the Concession Agreement vide letter dated February 25, 2016 and requested NHAI to take over the Project immediately.

NHAI disputed the Termination by Concessionaire vide its letter dated February 25, 2016 and invoked the conciliation under Article 44.2. At the meeting held on March 04, 2016, NHAI agreed on Termination of the Concession Agreement.

It was decided that the Project Assets taking over shall be done as per procedure laid out in the concession agreement. It was decided that the demands of the Concessionaire including its outstanding claims and Termination Payments shall be examined and recommended by Independent Engineer under appropriate provisions of the Concession Agreement.

The Toll operations of the company were handed over on April 13, 2016. The incidence management and maintenance was handed over on July 30, 2016. An amount of ₹ 423 crore was made as termination payment by NHAI in March 2017, which was disputed by the company and the matter is under arbitration under sarod rules.

CAPITAL EXPENDITURE

There are no fixed and intangible assets as on March 31, 2017. Capital Expenditure during the year amounted to ₹ 1.20 crore.

DEPOSITS

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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

SUBSIDIARY/ASSOCIATE/JOINT VENTURE

The Company has one Associate Company namely, Ashoka Concessions Limited holding 26% stake in the paid up equity Share Capital of the Company.

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

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

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. The Company will adhere to the RPT Policy of the Holding Company and guidelines thereunder.

The company has not entered into any material contracts or arrangements during 2016-17. The disclosure as per Form AOC-2 of the Act, is given in this Report as **Annexure 1**.

AMOUNT TRANSFERRED TO RESERVES

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

DIVIDEND

The Company has posted losses during the year and no dividend is recommended.

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

The details of significant and material orders are explained in detail under the head "Risk Management Policy"

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year the Company has incurred a sum of ₹0.15 crore on foreign currency expenditure. There are no foreign exchange earnings.

RISK MANAGEMENT POLICY

Since there are no operations in the company, review of risk of the company does not arise.

CORPORATE SOCIAL RESPONSIBILITY

Since your Company does not exceed any of the threshold limits specified under section 135 of the Companies Act 2013, it is not required under the said Act to spend during the year any amount on Corporate Social Responsibility.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Since the company has issued termination notice and there are no operations in the Company, the adequacy of internal control system does not arise.

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

Changes in Directors and KMP

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

Sr. No.	Name	Designation	DIN	Date of Appointment as Additional Director	Date of retirement by rotation and regularisation	Date of resignation
1	Mr. T.S.Venkatesan	Director	01443165	–	September 29, 2016(retirement by rotation)	–
2	Mr. P G.Suresh Kumar	Director	07124883	July 12, 2016	September 29, 2016 (regularisation)	–
3	Dr. Esther Malini	Additional Director	07124748	March 15, 2017	–	–
4	Mr. Jayanta Dixit	Additional Director	03610321	March 15, 2017	–	–
4	Mr. A.Veeraragavan	Independent Director	07138615	–	–	–
5	Mrs. Samyuktha Surendran	Independent Woman Director	07138327	–	–	–
6	Mr. Karthikeyan T.V	Director	01367727	–	–	July 12, 2016
7	Mr. Arun Kumar Jha	Director	07458418	April 5, 2016	September 29, 2016 (regularisation)	January 18, 2017
8	Mr. Paresh Mehta	Director	03474498	December 22, 2016	September 29, 2016 (regularisation)	January 18, 2017

Mr. Sanjay Prabhakar Ingle, resigned as Manager of the Company with effect from July 31, 2016.

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

Sr. No.	Name	Designation
1	Mr. Gopal C Pande	Chief Financial Officer

NUMBER OF MEETING OF THE BOARD OF DIRECTORS

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

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

Date	Board Strength	No of Directors Present
April 05, 2016	6	5
April 11, 2016	6	4
July 12, 2016	6	3
October 06, 2016	6	6
October 18, 2016	6	4
January 18,2017	6	4
March 15, 2017	6	5

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

INFORMATION TO THE BOARD

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

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

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

AUDIT COMMITTEE

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

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

Date	Strength of the Committee	No. of members present
April 05, 2016	3	3
July 12, 2016	3	2
October 18, 2016	3	2
January 18,2017	3	2

In accordance with the requirements of the Companies Act, 2013, the Company has established a Vigil Mechanism framework for Directors and employees to report genuine concerns. The Compliance Officer of the Holding Company is the co-ordinator for the Vigil Mechanism and responsible for receiving, validating, investigating and reporting to the Audit Committee during the year.

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

COMPANY POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION

The Company has constituted the Nomination and Remuneration Committee in accordance with the requirements of the Companies Act, 2013 read with the rules made thereunder. The Members of the Nomination and Remuneration Committee are Dr. A.Veeraragavan, Mrs. Samyuktha Surendran and Mr. T.S.Venkatesan.

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

Date	Strength of the Committee	No. of members present
April 05, 2016	3	3
July 12, 2016	3	2
March 15, 2017	3	3

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

DECLARATION OF INDEPENDENCE

The Company has received a declaration of independence as stipulated under Section 149(7) of the Companies Act, 2013 confirming that he/she is not disqualified from continuing as an Independent Director.

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form No. MGT – 9 is enclosed to this Report as **Annexure 2**.

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

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

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

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

d) The Directors have prepared the Annual Accounts on not going concern basis:

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

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

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

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

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

Further, the Independent Directors at the meeting held on 07th December 2016, reviewed the performance of Board, Committees, and Non-Executive Directors. The performance evaluation of the Board, Committees and Directors was also reviewed by the Nomination and Remuneration Committee and the Board of Directors.

DISCLOSURE OF REMUNERATION

There are no employees in the company covered by the provisions of the sub rule 2 of rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

COMPLIANCES WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

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

PROTECTION OF WOMEN AT WORKPLACE

A policy on 'Protection of Women's Rights at Workplace' was adopted by the Company at the Board Meeting held on July 12, 2016. This has been widely disseminated. There were no cases of sexual harassment received in the Company during the year 2016-17 since there are no employees in the Company.

AUDITOR AND AUDITOR'S REPORT

Statutory Auditors

The Company in the Sixth Annual General Meeting held on 24th September 2015 for the FY 2015-16 had appointed M/s.Gianender & Associates, Chartered Accountants, (Firm Reg no: 004661N), Delhi as Statutory Auditors of the Company to hold office from the conclusion of that Annual General Meeting until the conclusion of the fifth consecutive Annual General Meeting of the Company to be held during the year 2019.

The Board recommends the ratification of the appointment of M/s.Gianender & Associates, Chartered Accountants, (Firm Reg no: 004661N), Delhi, as Statutory Auditors of the Company from the conclusion of the ensuing AGM until the conclusion of the next AGM. Certificate from the said audit firm has been received to the effect that they are eligible to act as Auditors of the Company under Section 141 of the Companies Act, 2013.

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

Secretarial Auditors

R. Thamizhvanan, Company Secretary in practice, Chennai was appointed to conduct the secretarial audit of the Company for the financial year 2016-17, as required under Section 204 of the Companies Act, 2013 and Rules thereunder.

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

It contains the following qualification, reservation or adverse remark:

The Company does not have a whole-time secretary as required by Rule 8A of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

MANAGEMENT RESPONSE:

Since the Company has issued termination Notice to NHAI and there are no operations in the Company, it is in search of a suitable candidate to be appointed as a whole time Company Secretary as per the provisions of Section 203 of the Companies Act 2013. The Management will endeavour to appoint a Company Secretary in the near future.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

	T.S.VENKATESAN	**P.G.SURESH KUMAR**
Place : Chennai	*Director*	*Director*
Date : April 27, 2017	*DIN: 01443165*	*DIN: 07124883*

ANNEXURE 1

FORM NO. AOC.2

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

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

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

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

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

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

For and on behalf of the Board

	T.S.VENKATESAN	**P.G.SURESH KUMAR**
Place : Chennai	*Director*	*Director*
Date : April 27, 2017	*DIN: 01443165*	*DIN: 07124883*

ANNEXURE 2

FORM NO. MGT-9

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

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

I. REGISTRATION AND OTHER DETAILS:

CIN	U45203TN2009PLC070741
Registration Date	16/02/2009
Name of the Company	PNG Tollway Limited
Category / Sub-Category of the Company	Company Limited by shares/Indian Non-government Company
Address of the Registered office and contact details	P.O.Box.979, Mount Poonamallee Road, Manapakkam, Chennai- 600089 Ph. 044 - 22526060
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	NSDL Database Management Limited * 4th Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Ph: 022 4914 2591*

* NSDL Database Management Limited was appointed as Registrar and Share Transfer Agent at the Board Meeting held on July 12, 2016 and the services were transferred from Sharepro Services Limited w.e.f September 23, 2016.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No	Name and Address of the Company CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Larsen and Toubro Limited L99999MH1946PLC004768	Ultimate Holding Company	13%	2(46)
2	L&T Infrastructure Development Projects Limited U65993TN2001PLC046691	Holding Company	61%	2(46)
3	Ashoka Concessions Limited U45201MH2011PLC215760	Associate Company	26%	2(6)

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

i) Category-wise Share Holding

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

Category of Shareholders	No. of Shares held as on April 1, 2016				No. of Shares held as on March 31, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) Foreign									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
b) Other - Individuals									
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Other….									
Sub-total (A) (2):-	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**169099996**	**4***	**169100000**	**100**	**169099996**	**4***	**169100000**	**100**	**–**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.	–	–	–	–	–	–	–	–	–
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Public Shareholding (B) = (B)(1)+ (B)(2)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	**169099996**	**4***	**169100000**	**100**	**169099996**	**4***	**169100000**	**100**	**–**

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

(ii) Shareholding of Promoters

Sl No	Shareholders Name	Shareholding as on April 01, 2016			Shareholding as on March 31, 2017			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares#	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares#	
1	L&T Infrastructure Development Projects Limited(including nominees)	102711336	61%	24.48#	102711336	61%	24.48#	–
2	Larsen & Toubro Limited	22422660	13%	13#	22422660	13%	13#	–
3	Ashoka Concessions Limited	43966000	26%	13#	43966000	26%	13#	–
	Total	**169100000**	**100%**	**51**	**169100000**	**100%**	**51**	**–**

#Based on the information received from Promoters

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
	As on April 01, 2016	2	–	2	–
	Decrease due to resignation of Mr. Karthikeyan T.V	1 (decrease)	–	–	–
	At the End of the year	1	–	1	–

V. INDEBTEDNESS

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

(Amount in ₹)

Particulars of Indebtedness	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
As on April 01, 2016			
i) Principal Amount	11,926,084,441	3,532,200,000	**15,458,284,441**
ii) Interest due but not paid	202,815,808	869,411,458	**1,072,227,266**
iii) Interest accrued but not due	–	–	**–**
Total (i+ii+iii)	**12,128,900,249**	**4,401,611,458**	**16,530,511,707**
Change in Indebtedness during the financial year			
• Addition	–	519,014,927	**519,014,927**
• Reduction	2,535,374,310		**2,535,374,310**
Net Change	**(2,535,374,310)**	**519,014,927**	**(2,016,359,383)**
As on March 31, 2017			
i) Principal Amount	9,593,525,939	4,051,214,927	**13,644,740,866**
ii) Interest due but not paid	–	869,411,454	**869,411,454**
iii) Interest accrued but not due	–	–	**–**
Total (i+ii+iii)	**9,593,525,939**	**4,920,626,381**	**14,514,152,320**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: No manager as on March 31, 2017.

B. Remuneration to other directors:

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
		Dr. A. Veeraragavan	Mrs. Samyuktha Surendran	
1	Independent Directors			
	Fee for attending board meeting	₹ 1,50,000/-	₹ 1,50,000/-	₹ 3,00,000/-
	Fee for attending committee meetings	₹ 80,000/-	₹ 70,000/-	₹ 1, 50,000/-
	Commission	–	–	–
	Others, please specify	–	–	–
	Total (1)	₹ 2,30,000/-	₹ 2,20,000/-	₹ 4,50,000/-
2	Other Non-Executive Directors	Nil		
	1. Mr. T. S. Venkatesan			
	2. Mr. P.G.Suresh Kumar			
	3. Mr. Jayanta Dixit			
	4. Dr. Esther Malini			
	No Fee for attending board / committee meetings and no Commission			
	Total (2)	**Nil**		
	Total (B)=(1+2)	**₹ 2,30,000/-**	**₹ 2,20,000/-**	**₹ 4,50,000/-**
	Total Managerial Remuneration	**NA**	**NA**	**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. Gopal C Pande, CFO of the Company is employed by the Holding Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

	T.S.VENKATESAN	P.G.SURESH KUMAR
Place : Chennai	*Director*	*Director*
Date : April 27, 2017	*DIN: 01443165*	*DIN: 07124883*

ANNEXURE 3

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 2016-17

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

To
The Members,
PNG TOLLWAY LIMITED
P.O. BOX NO.979, MOUNT POONAMALLEE ROAD
MANAPAKKAM, CHENNAI-600089

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PNG TOLLWAY LIMITED** (here-in-after called the 'Company') for the **Financial year 2016-2017**. The Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **PNG TOLLWAY LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report :-

That in my opinion, the company has, during the audit period has complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **PNG TOLLWAY LIMITED**, Chennai for the audit period to the provisions of

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

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

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

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

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

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

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

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

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

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

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable**;

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

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

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

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

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

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

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

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

I further report that:-

The Board of Directors & the Committees of the Company are duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' view are captured and recorded as part of the minutes

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

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

Sd/-

R. THAMIZHVANAN
(COMPANY SECRETARY IN PRACTICE)
CP NO. 3721

Place: Chennai
Date: 21.04.2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PNG TOLLWAY LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of **PNG Tollway Limited** ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), 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 (herein after referred to as "Ind AS financial statements").

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 relevant rules issued there under.

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

AUDITOR'S RESPONSIBILITY

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

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

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 is free from material misstatement.

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

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

EMPHASIS OF MATTER

We draw attention to the:

i) Note no. H(10) which state that during preceding financial year, the company had submitted intent to terminate the project and accordingly issued the notice of termination on 25th Feb 2016. The same was accepted by NHAI vide its minutes of meeting dated 7th April 2016 and conveyed that the date of termination shall be Mar 29th 2016. Consequently the toll operations were taken over by the authority on 13th April 2016 and Maintenance Operations taken over on 31st July 2016. The company has been engaged into various meeting with the authority with regard to finalization of termination proceeds and its settlement during the year. In the month of Aug 2016, NHAI released an adhoc payment of ₹ 100 Cr. Further on Feb 21st 2017 NHAI, in turn issued a Termination Notice, alleging Concessionaire's Event of Default and arbitrarily computed the Termination Payment for the project at ₹ 996.57 Cr and after adjusting the adhoc payment and other recoveries made by them, released the payment of ₹ 323.061 Cr on 26th Mar 2017, unilaterally, without granting an opportunity of being heard to the company on the above matter. The company on 3rd April 2017 replied to the Notice of Termination by NHAI and on 4th April 2017 replied to the Termination Payment advice of NHAI, stating the facts on how termination payment calculated by NHAI is not in conformity with the stated provisions of the Concession Agreement, and justifying its eligibility for termination payments for an amount ₹ 1704.41 Cr including certain contractual claims that are accepted and payable as per provisions of concession agreement. In view of the same, the company is confident of recovering the amount considered as recoverable from NHAI under current assets under Note 6.

ii) Note no. H(11) which states that Going concern assumption is not appropriate, hence financial statement have been drawn up accordingly.

iii) Secured lenders (State bank of India & Bank of Baroda) have issued "NOTICE RECALLING LOANS" for repayment of entire outstanding loans.

Our opinion is not modified in respect of this matter.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the 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 section 143(11) of the Act, we give in the Annexure, a statement on the matters specified in the paragraph 3 and 4 of the 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 flows 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 Accounting Standards specified under Section 133 of the Act read with relevant rule issued there under;
   (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 -A"; and
   (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The company has not pending litigation which would impact its financial position except those disclosed in financial statements;
      ii. The company did not have any long-term contract including derivative contract for which there were any material foreseeable losses;
      iii. There were no amounts which were required by the company to be transferred to the Investor Education and Protection Fund, and;
      iv. The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. (refer note H15)

For GIANENDER & ASSOCIATES
Chartered Accountants
(Firm's Registration No. 004661N)

Manju Agrawal
(Partner)
(M No. 083878)

Place: New Delhi
Date: April 27, 2017

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF PNG TOLLWAY LIMITED FOR THE YEAR ENDED AS ON 31ST MARCH 2017

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-

i. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
   b) The Fixed Assets were physically verified by the company before their disposal and no material discrepancies were noticed on such verification
   c) Immovable property were held in the name of the company.

ii. As the company is engaged in the business of infrastructure development, operations and its maintenance and there is no inventory in hand at any point of time, hence paragraph 3(ii) of the Order is not applicable to the company.

iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.

iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.

v. The Company has not accepted deposits in terms of the provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under. Therefore the paragraph 3(v) of the Order is not applicable to the company.

vi. The Company is prima-facie maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

vii. a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2017, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable.

b) According to the information and explanations given to us, there were no statutory dues pending in respect of income tax, sales tax, VAT, custom duty and cess etc. on account of any dispute.

viii. In our opinion and according to the information and explanation provided to us, the company has defaulted in payment of outstanding amount of loan of State bank of India and Bank of Baroda amounting to ₹ 4,27,18,82,456and 1,13,94,59,245 respectively, as the secured lenders (State Bank of India and Bank of Baroda) have issued “NOTICE RECALLING LOANS” dues to banks. The company has not taken any loans or borrowings from Government.

ix. Money raised by way of term loans were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer.

x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.

xi. The Company has not paid any managerial remuneration, hence therefore para 3(xi) of the Order is not applicable to the company.

xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable to the company.

xiii. In our opinion and according to the information provided to us, the transaction entered with the related partied are in compliance with section 177 and 188 of the Act and are disclosed in the financial statements as required by the applicable accounting standards.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, therefore para 3(xiv) of the Order is not applicable to the company.

xv. According to the information provided to us, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under section 192 of the Companies Act 2013. Therefore, paragraph 3(xv) of the Order is not applicable to the company.

xvi. According to the information provided to us, the company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the company.

For GIANENDER & ASSOCIATES
Chartered Accountants
(Firm‘s Registration No. 004661N)

Manju Agrawal
(Partner)
(M No. 083878)

Place: New Delhi
Date: April 27, 2017

ANNEXURE-A

Annexure referred to in paragraph 2 under the heading “Report on Other Legal and Regulatory Requirements” of our report on even date:-

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

We have audited the internal financial controls over financial reporting of PNG Tollway Limited(“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 my /our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For GIANENDER & ASSOCIATES
Chartered Accountants
(Firm's Registration No. 004661N)

Manju Agrawal
(Partner)
(M No. 083878)

Place: New Delhi
Date: April 27, 2017

BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note	As at 31-03-2017 ₹	*As at 31-03-2016* ₹	*As at 01-04-2015* ₹
ASSETS				
(1) Non-current assets				
a) Property, Plant and Equipment	1	–	*56,128,447*	*69,574,438*
b) Intangible assets	2	–	*16,471,590,490*	*16,662,767,582*
c) Non-current investment	3	**940,000**	*940,000*	*940,000*
d) Financial Assets				
i) Loans	4	–	*1,068,849*	*1,021,299*
e) Other non-current assets	5	–	*48,915,295*	*48,915,295*
	A	**940,000**	*16,578,643,081*	*16,783,218,614*
Current assets				
a) Financial Assets				
i) Cash and bank balances	6	**770,896,915**	*8,978,313*	*15,525,866*
ii) Loans	4	**40,000**	–	–
b) Current Tax Assets (net)	5	**71,233,306**	*7,332,489*	*10,367,755*
c) Other financial current assets	5	**11,030,742,810**	*1,574,342*	*1,917,891*
	B	**11,872,913,031**	*17,885,144*	*27,811,512*
TOTAL	A+B	**11,873,853,031**	*16,596,528,225*	*16,811,030,126*
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share capital	8	**1,691,000,000**	*1,691,000,000*	*1,691,000,000*
b) Other Equity	7	**(4,556,674,762)**	*(2,351,482,678)*	*(2,157,088,978)*
	C	**(2,865,674,762)**	*(660,482,678)*	*(466,088,978)*
LIABILITIES				
(1) Non-current liabilities				
a) Financial liabilities				
i) Borrowings	9	–	*14,274,584,417*	*14,294,070,997*
ii) Other financial liabilities	10	–	*1,005,796,730*	*663,377,994*
b) Provisions	11	–	*209,740,967*	*126,312,310*
	D	–	*15,490,122,114*	*15,083,761,301*
Current liabilities				
a) Financial liabilities				
i) Borrowings	9	**13,644,740,866**	*1,183,700,024*	*1,691,000,000*
ii) Trade payables	13	**216,413,439**	*29,079,030*	*176,939,815*
iii) Other financial liabilities	10	**869,411,454**	*306,161,564*	–
b) Other current liabilities	12	**8,962,034**	*247,737,351*	*325,356,214*
c) Provisions	11	–	*210,820*	*61,774*
	E	**14,739,527,793**	*1,766,888,789*	*2,193,357,803*
Total Equity and Liabilities	C+D+E	**11,873,853,031**	*16,596,528,225*	*16,811,030,126*
CONTINGENT LIABILITIES	F			
Commitments	G			
Other notes forming part of accounts	H			
Significant accounting policies	I			

As per our report of attached

For and on behalf of the Board

For GIANENDER & ASSOCIATES
Chartered Accountants
(Firm Registration No: 04661N)
by the hand of

MANJU AGRAWAL
Partner
Membership No.: 083878

GOPAL C PANDE
Chief Financial Officer

T.S.VENKATESAN
Director
DIN: 01443165

P.G.SURESH KUMAR
Director
DIN: 07124883

Place : Chennai
Date : April 27, 2017

Place : Chennai
Date : April 27, 2017

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

Particulars	Note No.	2016-17 ₹	2016-17 ₹	2015-16 ₹	2015-16 ₹
REVENUE					
Revenue from Operations	14		–		937,633,448
Other income	15		17,653,597		1,771,864
Total Revenue			17,653,597		939,405,312
EXPENSES					
Operating expenses	16		19,708,367		307,425,744
Employee benefit expenses	17		2,344,295		12,075,238
Finance costs	18		108,310,175		1,820,668,475
Depreciation and amortisation			487,153		204,729,074
Administration and other expenses	19		1,349,738		20,100,481
Total Expenses			132,199,728		2,364,999,012
Profit/(loss) before tax			(114,546,131)		(1,425,593,700)
Tax Expense:					
Current tax					
Deferred tax			–		–
Profit/(loss) after tax for the year			(114,546,131)		(1,425,593,700)
Exceptional Item (net)			-2,090,645,953		–
Profit for the year			-2,205,192,084		-1,425,593,700
Other Comprehensive Income					
Nature					
Income-tax effect					
i) Reclassifiable to profit or loss in subsequent periods					
ii) Not reclassifiable to profit or loss in subsequent periods					
Total Comprehensive Income for the year					
Earnings per equity share (Basic and Diluted)	24		(7.55)		(4.88)
Face value per equity share			10.00		10.00

As per our report of attached

For GIANENDER & ASSOCIATES
Chartered Accountants
(Firm Registration No: 04661N)
by the hand of

MANJU AGRAWAL
Partner
Membership No.: 083878

Place : Chennai
Date : April 27, 2017

For and on behalf of the Board

GOPAL C PANDE
Chief Financial Officer

T.S.VENKATESAN
Director
DIN: 01443165

P.G.SURESH KUMAR
Director
DIN: 07124883

Place : Chennai
Date : April 27, 2017

CASH FLOW STATEMENT AS ON MARCH 31, 2017

		2016-17 ₹	2015-16 ₹
A	**Net profit / (loss) before tax and extraordinary items**	**(114,546,131)**	*(1,425,593,700)*
	Adjustment for		
	Depreciation and amortisation expense	**487,153**	*204,729,074*
	Interest expense	**1,368,363,442**	*1,820,668,475*
	Interest income	**(294,926)**	*(385,479)*
	(Profit)/loss on sale of current investments(net)	**–**	*(1,386,385)*
	Exceptional Items	**(2,090,645,953)**	–
	Operating profit before working capital changes	**(836,636,415)**	*598,031,985*
	Adjustments for:		
	Increase / (Decrease) in long term provisions	**(210,005,152)**	*69,224,828*
	Increase / (Decrease) in trade payables	**187,334,409**	*(147,860,785)*
	Increase / (Decrease) in other current liabilitites	**(238,775,317)**	*(77,618,863)*
	Increase / (Decrease) in other current financial liabilitites	**(239,466,843)**	*239,466,843*
	Increase / (Decrease) in short term provisions	**(210,820)**	*149,046*
	(Increase) / Decrease in loan term loans and advances	**1,068,849**	*(47,550)*
	(Increase) / Decrease in other non-current assets	**48,915,295**	–
	(Increase) / Decrease in short term loans and advances	**(40,000)**	–
	(Increase) / Decrease in inventories	**16,514,160,903**	–
	(Increase) / Decrease in other current assets	**(11,029,168,468)**	*343,549*
	Net cash generated from/(used in) operating activities	**4,197,176,441**	*681,689,053*
	Direct taxes paid (net of refunds)	**(63,900,817)**	*3,035,266*
	Net Cash(used in)/generated from Operating Activities	**4,133,275,624**	*684,724,319*
B	**Cash flow from investing activities**		
	Purchase of fixed assets	**–**	*(79,188)*
	Sale of fixed assets	**13,070,881**	*237,380*
	(Purchase)/Sale of current investments	**–**	*1,386,385*
	Intercorporate deposits (placed)/refunded (net)	**519,014,927**	*1,077,600,000*
	Interest received	**294,926**	*385,481*
	Net cash (used in)/generated from investing activities	**532,380,734**	*1,079,530,058*
C	**Cash flow from financing activities**		
	Repayment of long term borrowings	**(2,341,483,733)**	*(507,208,228)*
	Interest paid	**(1,562,254,023)**	*(1,263,593,702)*
	Net cash (used in)/generated from financing activities	**(3,903,737,756)**	*(1,770,801,930)*
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**761,918,602**	*(6,547,553)*
	Cash and cash equivalents as at the beginning of the year	**8,978,313**	*15,525,866*
	Cash and cash equivalents as at the end of the year	**770,896,915**	*8,978,313*

NOTES

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

As per our report of attached

For and on behalf of the Board

For GIANENDER & ASSOCIATES
Chartered Accountants
(Firm Registration No: 04661N)
by the hand of

MANJU AGRAWAL
Partner
Membership No.: 083878

GOPAL C PANDE
Chief Financial Officer

T.S.VENKATESAN
Director
DIN: 01443165

P.G.SURESH KUMAR
Director
DIN: 07124883

Place : Chennai
Date : April 27, 2017

Place : Chennai
Date : April 27, 2017

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

(₹ **in lakhs**)

NOTE 7 : OTHER EQUITY AS ON 31.03.2017

Particulars	**Equity component of compound financial instruments**	**Reserve & Surplus**	**Total**
		Retained earnings	
Balance at the beginning of the reporting period	1,231,200,000	–3,582,682,678	–2,351,482,678
Profit for the year		–2,205,192,084	–2,205,192,084
Issue of share capital			
Balance at the end of the reporting period	**1,231,200,000**	**–5,787,874,762**	**–4,556,674,762**

OTHER EQUITY AS ON 31.03.2016

Particulars	**Equity component of compound financial instruments**	**Reserve & Surplus**	**Total**
		Retained earnings	
Balance at the beginning of the reporting period		-2,157,088,978	-2,157,088,978
Transfer to retained earnings	1,231,200,000	–	1,231,200,000
Profit for the year	–	-1,425,593,700	-1,425,593,700
Balance at the end of the reporting period	**1,231,200,000**	**–3,582,682,678**	**–2,351,482,678**

As per our report of attached

For and on behalf of the Board

For GIANENDER & ASSOCIATES
Chartered Accountants
(Firm Registration No: 04661N)
by the hand of

MANJU AGRAWAL
Partner
Membership No.: 083878

GOPAL C PANDE
Chief Financial Officer

T.S.VENKATESAN
Director
DIN: 01443165

P.G.SURESH KUMAR
Director
DIN: 07124883

Place : Chennai
Date : April 27, 2017

Place : Chennai
Date : April 27, 2017

NOTES FORMING PART OF ACCOUNTS

NOTE 1 : PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹)

Particulars	Cost				Depreciation				Book Value	
	As at April 01, 2016	Additions	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										
Plant and Equipment	67,451,896	–	67,451,896	–	27,113,655	331,227	27,444,882	–	–	40,338,241
Furniture and fixtures	5,405,241	–	5,405,241	–	1,980,765	5,384	1,986,149	–	–	3,424,476
Vehicles	20,221,827	–	20,221,827	–	10,540,447	3,531	10,543,978	–	–	9,681,380
Office equipment	10,678,286	–	10,678,286	–	8,273,228	81,974	8,355,202	–	–	2,405,058
Computers, laptops and printers	1,515,913	–	1,515,913	–	1,236,621	65,037	1,301,658	–	–	279,292
Total	**105,273,163**	**–**	**105,273,163**	**–**	**49,144,716**	**487,153**	**49,631,869**	**–**	**–**	**56,128,447**
Previous year				*105,273,163*				*49,144,716*		

NOTE 2 : INTANGIBLE ASSETS

(Amount in ₹)

Particulars	Cost				Amortisation				Book Value	
	As at April 01, 2016	Additions	Dedu-ctions	As at March 31, 2017	As at April 01, 2016	For the year	Dedu-ctions	As at March 31, 2017	As at March 31, 2017	As as March 31, 2016
Specialised Software	–	–	–	–	–	–	–	–	–	–
Toll collection rights	16,876,738,788	12,048,395	16,888,787,183	–	405,148,298	253,055	405,401,353	–	–	16,471,590,490
Total	**16,876,738,788**	**12,048,395**	**16,888,787,183**	**–**	**405,148,298**	**253,055**	**405,401,353**	**–**	**–**	**16,471,590,490**
Previous year	*16,876,738,788*			*16,876,738,788*				*405,148,298*		

Company has terminated the project under the clausee dispute resolution and projects assets to NHAI on March 29, 2016

NOTE 1 : PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹)

Particulars	Cost				Depreciation				Book Value	
	As at April 01, 2015	Additions	Deductions	As at March 31, 2016	As at April 01, 2015	For the year	Deductions	As at March 31, 2016	As at March 31, 2016	As at April 01, 2015
Owned										
Building	–	–	–	–	–	–	–	–	–	–
Plant and Equipment	67,451,896	–	–	67,451,896	19,285,469	7,828,186	–	27,113,655	40,338,241	48,166,427
Furniture and fixtures	5,622,565	–	217,324	5,405,241	1,574,210	406,555	–	1,980,765	3,424,476	4,048,355
Vehicles	20,221,827	–	–	20,221,827	7,355,854	3,184,593	–	10,540,447	9,681,380	12,865,973
Office equipment	10,698,342	–	20,056	10,678,286	6,539,630	1,733,598	–	8,273,228	2,405,058	4,158,712
Electrical installations	–	–	–	–	–	–	–	–	–	–
Air conditioning and Refrigeration	–	–	–	–	–	–	–	–	–	–
Computers, laptops and printers	1,436,725	79,188	–	1,515,913	1,101,754	134,867	–	1,236,621	279,292	334,971
Total	**105,431,355**	**79,188**	**237,380**	**105,273,163**	**35,856,917**	**13,287,799**	**–**	**49,144,716**	**56,128,447**	**69,574,438**
Previous year				*105,431,355*				*35,856,917*		

NOTES FORMING PART OF ACCOUNTS (CONTD.)

NOTE 2 : INTANGIBLE ASSETS

(Amount in ₹)

Particulars	Cost				Amortisation				Book Value	
	As at April 01, 2015	Additions	Deductions	As at March 31, 2016	As at April 01, 2015	For the year	Deductions	As at March 31, 2016	As at March 31, 2016	As at April 01, 2015
Specialised Software	–	–	–	–	–	–	–	–	–	–
Toll collection rights	16,876,738,788	–	–	16,876,738,788	213,971,206	191,430,147	–	405,401,353	16,471,337,435	16,662,767,582
Total	**16,876,738,788**	**–**	**–**	**16,876,738,788**	**213,971,206**	**191,430,147**	**–**	**405,401,353**	**16,471,337,435**	**16,662,767,582**
Previous year	*16,876,738,788*			*16,876,738,788*				*213,971,206*		

NOTE 3 : NON-CURRENT INVESTMENT

Particulars	March 31, 2017			*March 31, 2016*			*April 01, 2015*		
	Current	Non-current	Total	*Current*	*Non-current*	*Total*	*Current*	*Non-current*	*Total*
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Land		940,000	940,000		*940,000*	*940,000*		*940,000*	*940,000*
	–	940,000	940,000	–	*940,000*	*940,000*	–	*940,000*	*940,000*

NOTE 4 : LOANS

Particulars	March 31, 2017			*March 31, 2016*			*April 01, 2015*		
	Current	Non-current	Total	*Current*	*Non-current*	*Total*	*Current*	*Non-current*	*Total*
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Security deposits									
Unsecured, considered good	40,000	–	40,000	–	*1,068,849*	*1,068,849*	–	*1,021,299*	*1,021,299*
	40,000	–	40,000	–	*1,068,849*	*1,068,849*	–	*1,021,299*	*1,021,299*

NOTE 5 : OTHER NON-CURRENT AND CURRENT ASSETS

Particulars	March 31, 2017			*March 31, 2016*			*April 01, 2015*		
	Current	Non-current	Total	*Current*	*Non-current*	*Total*	*Current*	*Non-current*	*Total*
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Capital advances									
For intangible assets under development	–	–	–	–	*48,915,295*	*48,915,295*	–	*48,915,295*	*48,915,295*
Advances other than capital advances									
Other advances	11,030,742,810	–	11,030,742,810	–	–	–	–	–	–
Advance recoverable other than in cash									
Prepaid expenses	–	–	–	*1,574,342*	–	*1,574,342*	*1,917,891*	–	*1,917,891*
	11,030,742,810	–	11,030,742,810	1,574,342	*48,915,295*	*50,489,637*	1,917,891	*48,915,295*	*50,833,186*
Income tax									
Income tax net of provisions	71,233,306	–	71,233,306	*7,332,489*	–	*7,332,489*	*10,367,755*	–	*10,367,755*
	71,233,306	–	71,233,306	7,332,489	–	*7,332,489*	10,367,755	–	*10,367,755*

NOTES FORMING PART OF ACCOUNTS (CONTD.)

NOTE 6 : CASH AND CASH EQUIVALENTS

Particulars	**As at March 31, 2017**	*As at March 31, 2016*	*As at April 01, 2015*
	₹	₹	₹
a) Balances with banks	**770,795,255**	*4,743,977*	*11,597,678*
b) Cash on hand	**1,660**	*4,114,647*	*3,817,524*
c) Fixed deposits with banks including interest accrued thereon	**100,000**	*119,689*	*110,664*
	770,896,915	*8,978,313*	*15,525,866*

Short term deposits are made for varying periods between one day and 12 months, depending on the immediate cash requirement and earn interest at fixed the respective short term deposit rates.

NOTE 8 : SHARE CAPITAL

(i) Authorised, issued, subscribed and paid up

	As at March 31, 2017		*As at March 31, 2016*		*As at April 01, 2015*	
	No. of shares	₹	*No. of shares*	₹	*No. of shares*	₹
Authorised:						
Equity shares of ₹ 10 each	**170,000,000**	**1,700,000,000**	*170,000,000*	*1,700,000,000*	*170,000,000*	*1,700,000,000*
0.01% Optionally Convertible Cumulative Preference Share	**400,000,000**	**4,000,000,000**	*400,000,000*	*4,000,000,000*	–	–
	570,000,000	**5,700,000,000**	*570,000,000*	*5,700,000,000*	*170,000,000*	*1,700,000,000*
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each	**169,100,000**	**1,691,000,000**	*169,100,000*	*1,691,000,000*	*169,100,000*	*1,691,000,000*
0.01% Optionally Convertible Cumulative Preference Share	**123,120,000**	**1,231,200,000**	*123,120,000*	*1,231,200,000*	–	–
	292,220,000	**2,922,200,000**	**292,220,000**	*2,922,200,000*	**169,100,000**	*1,691,000,000*

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

	As at March 31, 2017		*As at March 31, 2016*		*As at April 01, 2015*	
	No. of shares	₹	*No. of shares*	₹	*No. of shares*	₹
At the beginning of the year	**170,000,000**	**1,700,000,000**	*170,000,000*	*1,700,000,000*	*170,000,000*	*1,700,000,000*
Issued during the year as fully paid	**–**	**–**	–	–	–	–
At the end of the year	**170,000,000**	**1,700,000,000**	*170,000,000*	*1,700,000,000*	*170,000,000*	*1,700,000,000*

(iii) Equity component of Convertible Preference shares

	As at March 31, 2017		*As at March 31, 2016*		*As at April 01, 2015*	
	No. of shares	₹	*No. of shares*	₹	*No. of shares*	₹
0.01% Optionally Convertible Cumulative Preference Share						
At the beginning of the year	**123,120,000**	**1,231,200,000**	**123120000**	*1,231,200,000*	**–**	–
Issued during the year as fully paid	**–**	**–**	**–**	–	**–**	–
At the end of the year	**123,120,000**	**1,231,200,000**	*123,120,000*	*1,231,200,000*	–	–

NOTES FORMING PART OF ACCOUNTS (CONTD.)

(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.

Preference shares

The preference shares carry a preferential right vis-a-vis Equity Shares of the Company with respective to payment of dividend and repayment in case of a winding up or repayment of capital.

Preference share holders carry non-participating rights in the surplus funds.

Preference share holders would be paid dividend on a cumulative basis

The preference shares are redeemable after completion of the 7th year or before the completion of 10th year from date of allotment at the option of the Company. Preference shares to the extent not redeemed at the end of 10th year from the date of allotment , shall stand converted into equity shares of ₹ 10 /- per share at par.

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

	As at March 31, 2017		*As at March 31, 2016*		*As at April 01, 2015*	
	No. of shares	**₹**	*No. of shares*	*₹*	*No. of shares*	*₹*
Equity Shares						
L&T Infrastructure Development Projects Limited (including nominee holding)	**102,711,340**	**1,027,113,400**	*102,711,340*	*1,027,113,400*	*81,168,000*	*811,680,000*
Larsen and Toubro Limited (ultimate holding company)	**22,422,660**	**224,226,600**	*22,422,660*	*224,226,600*	*43,966,000*	*439,660,000*
Ashoka Concessions Limited (Associate Company)	**43,966,000**	**439,660,000**	*43,966,000*	*439,660,000*	*43,966,000*	*439,660,000*
	169,100,000	**1,691,000,000**	*169,100,000*	*1,691,000,000*	*169,100,000*	*1,691,000,000*
0.01% Optionally Convertible Cumulative Preference Share						
L&T Infrastructure Development Projects Limited	**91,110,000**	**911,100,000**	**91,110,000**	*911,100,000*	**–**	–
Ashoka Concessions Limited (Associate Company)	**32,010,000**	**320,100,000**	**32,010,000**	*320,100,000*	**–**	–
	123,120,000	**1,231,200,000**	*123,120,000*	*1,231,200,000*	–	–

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

	As at March 31, 2017		*As at March 31, 2016*		*As at April 01, 2015*	
	No. of shares	**%**	*No. of shares*	*%*	*No. of shares*	*%*
Equity Shares						
L&T Infrastructure Development Projects Limited (including nominee holding)	**102,711,340**	**60.74%**	*102,711,340*	*60.74%*	*81,168,000*	*48.00%*
Larsen and Toubro Limited (including nominee holding)	**22,422,660**	**13.26%**	*22,422,660*	*13.26%*	*43,966,000*	*26.00%*
Ashoka Concessions Limited (Associate Company)	**43,966,000**	**26.00%**	*43,966,000*	*26.00%*	*43,966,000*	*26.00%*
0.01% Optionally Convertible Cumulative Preference Share						
L&T Infrastructure Development Projects Limited	**91,110,000**	**74.00%**	*91,110,000*	*74.00%*	–	*0.00%*
Ashoka Concessions Limited (Associate Company)	**32,010,000**	**26.00%**	*32,010,000*	*26.00%*	–	*0.00%*

NOTES FORMING PART OF ACCOUNTS (CONTD.)

(vi) a. 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

b. Details of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Name of Shareholder	Date of allotment	No of shares allotted	Amount	Basis of allotment
L&T Infrastructure Development Projects Limited	22/12/2015	91,110,000	911,100,000	Consideration other than cash-conversion of unsecured loan to preference shares
Ashoka Concessions Limited	22/12/2015	3,20,10,000	320,100,000	

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

NOTE 9 : BORROWINGS

	March 31, 2017			*March 31, 2016*			*April 01, 2015*		
Particulars	**Current**	**Non-current**	**Total**	*Current*	*Non-current*	*Total*	*Current*	*Non-current*	*Total*
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Secured borrowings									
a) Term loans									
i) From banks	**9,593,525,939**	**–**	**9,593,525,939**	*1,183,700,024*	*10,742,384,417*	*11,926,084,441*	*–*	*12,431,710,997*	*12,431,710,997*
Unsecured borrowings									
b) Loans from related parties	**4,051,214,927**	**–**	**4,051,214,927**	*–*	*3,532,200,000*	*3,532,200,000*	*1,691,000,000*	*1,862,360,000*	*3,553,360,000*
	13,644,740,866	**–**	**13,644,740,866**	*1,183,700,024*	*14,274,584,417*	*15,458,284,441*	*1,691,000,000*	*14,294,070,997*	*15,985,070,997*

9 (i) State Bank of India and Bank of Baroda has issued "Notice recalling Loan" during the year vide their letter no CAG/CHN/AMT-II/6 dated a8 April 2017 and Respectivily.

NOTE 10 : OTHER FINANCIAL LIABILITIES

	March 31, 2017			*March 31, 2016*			*April 01, 2015*		
Particulars	**Current**	**Non-current**	**Total**	*Current*	*Non-current*	*Total*	*Current*	*Non-current*	*Total*
	₹	₹	₹	₹	₹	₹	₹	₹	₹
a) Interest accrued	**869,411,454**	**–**	**869,411,454**	*202,815,808*	*869,411,458*	*1,072,227,266*	*–*	*663,377,994*	*663,377,994*
b) Other liabilities									
i) Creditors for capital supplies	**–**	**–**	**–**	*–*	*136,385,272*	*136,385,272*	*–*	*–*	*–*
ii) Revenue share payable	**–**	**–**	**–**	*103,345,756*	*–*	*103,345,756*	*–*	*–*	*–*
	869,411,454	**–**	**869,411,454**	*306,161,564*	*1,005,796,730*	*1,311,958,294*	*–*	*663,377,994*	*663,377,994*

NOTE 11 : PROVISIONS

Provision for employee benefits	–	–	–	*210,820*	*3,051,345*	*3,262,165*	*61,774*	*1,826,517*	*1,888,291*
Provisions for major maintenance reserve	–	–	–	*–*	*206,689,622*	*206,689,622*	*–*	*124,485,793*	*124,485,793*
	–	–	–	*210,820*	*209,740,967*	*209,951,787*	*61,774*	*126,312,310*	*126,374,084*

NOTE 12 : OTHER LIABILITIES

i) Due to related parties									
ii) Other liabilities	**8,919,306**	**–**	**8,919,306**	*245,449,005*	*–*	*245,449,005*	*315,524,843*	*–*	*315,524,843*
iii) Statutory payables	**42,728**	**–**	**42,728**	*2,288,346*	*–*	*2,288,346*	*9,831,371*	*–*	*9,831,371*
	8,962,034	**–**	**8,962,034**	*247,737,351*	*–*	*247,737,351*	*325,356,214*	*–*	*325,356,214*

NOTES FORMING PART OF ACCOUNTS (CONTD.)

NOTE 13 : TRADE PAYABLES

	March 31, 2017		March 31, 2016		April 01, 2015	
	₹	₹	₹	₹	₹	₹
Acceptances						
Due to related parties		**213,792,842**		*10,118,442*		*145,736,154*
Due to others		**2,620,597**		*18,960,588*		*31,203,661*
		216,413,439		*29,079,030*		*176,939,815*

NOTE F : CONTINGENT LIABILITIES

Contingent liabilities as at March 31, 2017 ₹ 9,59,00,000/- (previous year: ₹ 9,59,00,000/-) represents Additional Concession Fees claimed by National Highway Authority of India, not accepted by the company due to claiming of force majeure events i.e., forced-exemptions and violitions at toll plaza. The concessionaire declared this as a Dispute under the concession agreement and invoked the process of dispute resolution be undertaken, to reach a settlement of the issue.

NOTE G : COMMITMENT

Capital commitments as at March 31, 2017 net of advances ₹ Nil/- (previous year: ₹ 29,64,82,677/-).

NOTE 14 : REVENUE FROM OPERATIONS

	2016-17		2015-16	
	₹	₹	₹	₹
Operating revenue:				
Toll Collections	**–**		*937,633,448*	
	–		*–*	
		–		*937,633,448*
		–		*937,633,448*

NOTE 15 : OTHER INCOME

	2016-17		2015-16	
Interest income from:				
Bank deposits	**1,858**		**9,025**	
Inter-corporate deposits	**293,068**		**–**	
Others	**–**		**376,454**	
		294,926		*385,479*
Profit on sale of current investments		**–**		*1,386,385*
Other income		**17,358,671**		*–*
		17,653,597		*1,771,864*

NOTES FORMING PART OF ACCOUNTS (CONTD.)

NOTE 16 : OPERATING EXPENSES

	2016-17		2015-16	
	₹	₹	₹	₹
Toll Management fees		**1,863,219**		*30,948,590*
Security services		**–**		*14,731,525*
Insurance		**–**		*5,604,447*
Concession fee		**–**		*88,662,120*
Repairs and maintenance				
Toll road & bridge	**7,068,995**		*30,821,020*	
Plant and machinery	**5,774,341**		*12,521,907*	
Periodic major maintenance	**–**		*68,000,000*	
Others	**488,026**		*4,697,883*	
		13,331,362		*116,040,810*
Professional fees		**4,513,786**		*28,915,023*
Power and fuel		**–**		*22,523,229*
		19,708,367		*307,425,744*

NOTE 17 : EMPLOYEE BENEFIT EXPENSES

Salaries, wages and bonus		**2,084,147**		*8,748,077*
Contributions to and provisions for:				
Provident fund	**52,532**		*472,211*	
Gratuity	**–**		*206,934*	
Compensated absences	**117,760**		*347,527*	
Retention pay	**–**		*888,332*	
		170,292		*1,915,004*
Staff welfare expenses		**89,856**		*1,412,157*
		2,344,295		*12,075,238*

NOTE 18 : FINANCE COSTS

	2016-17		2015-16	
	₹	₹	₹	₹
Interest on borrowings		**1,359,438,211**		*1,440,979,516*
Other borrowing cost (Charge to NHAI)		**(1,260,053,267)**		*363,903,458*
Unwinding of discount and implicit interest expense on fair value		**8,925,231**		*15,785,501*
		108,310,175		*1,820,668,475*

NOTE 19 : ADMINISTRATION AND OTHER EXPENSES

Rent, Rates and taxes		**110,130**		*12,397,528*
Professional fees		**521,920**		*2,477,096*
Postage and communication		**90,900**		*558,487*
Printing and stationery		**40,592**		*681,499*
Travelling and conveyance		**392,226**		*1,484,345*
CSR expenses		**–**		*–*
Insurance Expenses		**–**		*–*
Repairs and Maintenance - Others		**–**		*931,704*
Miscellaneous expenses		**193,970**		*1,569,822*
		1,349,738		*20,100,481*

NOTES FORMING PART OF ACCOUNTS (CONTD.)

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

Particulars	2016-17	2015-16
	₹	₹
a) As auditor	**172,500**	*302,280*
b) For taxation matters	**28,750**	*113,355*
c) For company law matters	**–**	*–*
d) For other services	**320,670**	*208,270*
Total	**521,920**	*623,905*

NOTE H : NOTES FORMING PART OF ACCOUNTS

1) Corporate Information

PNG Tollway Limited is a Special Purpose Vehicle (SPV) incorporated on 16th February 2009 for the purpose of conversion of two lane to six lane of NH3 from KM 380.00 to KM 440.00, Pimpalgaon-Nasik-Gonde Section in Nasik District of Maharashtra State, under Design, Build, Finance, Operate and Transfer (DBFOT) basis vide Concession Agreement dated 8th July 2009 jointly signed with National Highways Authority of India. The concession period is 20 years which includes construction period 30 Months and the concession period ends on January 3rd, 2029. Partial Commercial operation was achieved from October 1st 2012 and full commercial operations are achieved on March 12th 2014. The Projct has been terminated w.e.f. March 29,2016

2) The Company has not earned any income/incurred any expenditure in foreign currency during the year.
(previous year: ₹ 1496096/-)

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

(i) Defined contribution plan:

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

An amount of ₹ 52,532/- (previous year : ₹ 4,72,211) being contribution made to recognised provident fund is recognised as expense and included under Employee benefit expense (Note 16) in the Statement of Profit and loss.

(ii) Defined benefit plans:

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

Plan Features

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

Leave Encashment:

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

NOTES FORMING PART OF ACCOUNTS (CONTD.)

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

iv) Risk to the Plan

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

A Actuarial Risk:

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

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

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

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

B Investment Risk:

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

C Liquidity Risk:

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

D Market Risk:

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

E Legislative Risk:

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

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

Particulars	**Gratuity plan**		**Compensated absences**	
	As at March 31, 2017	*As at March 31, 2016*	**As at March 31, 2017**	*As at March 31, 2016*
	₹	₹	₹	₹
Present value of defined benefit obligation				
– Wholly funded	–	–	–	–
– Wholly unfunded	–	979,239	–	–
	–	979,239	–	–
Less : Fair value of plan assets	–	–	–	–
Net Liability / (asset)	–	979,239	–	–

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

Particulars	**Gratuity plan**		**Compensated absences**	
	As at March 31, 2017	*As at March 31, 2016*	**As at March 31, 2017**	*As at March 31, 2016*
	₹	₹	₹	₹
Current service cost	–	*201,450*	–	–
Interest on Defined benefit obligation	–	*61,234*	–	–
Acturial Gain/(Loss)	–	*(55,750)*	–	
Past service cost and loss/(gain) on curtailments and settlement	–	–	–	–
Total Charge to Statement of Profit and Loss	–	*206,934*	–	–

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

NOTES FORMING PART OF ACCOUNTS (CONTD.)

e) Other Comprehensive Income for the period

Particulars	Gratuity plan		Compensated absences	
	As at March 31, 2017	*As at March 31, 2016*	**As at March 31, 2017**	*As at March 31, 2016*
	₹	₹	₹	₹
Components of actuarial gain/losses on obligations:	–	–	–	–
From changes in demographic assumptions	–	–	–	–
From changes in financial assumptions	–	–	–	–
From changes in experience	–	–	–	–
Past service cost	–	–	–	–
Actuarial gain/(loss) not recognised in books	–	–	–	–
Return on plan assets excluding amounts included in interest income	–	–	–	–
Amounts recognized in Other Comprehensive Income	–	–	–	–

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

Particulars	Gratuity plan		Gratuity plan	
	As at March 31, 2017	*As at March 31, 2016*	**As at March 31, 2017**	*As at March 31, 2016*
	₹	₹	₹	₹
Opening balance of the present value of defined benefit obligation	–	*785,055*	–	–
Add: Current service cost	–	*201,450*	–	–
Add: Interest cost	–	*61,234*	–	–
Add: Contribution by plan participants	–	–	–	–
i) Employer	–	–	–	–
ii) Employee	–	–	–	–
Add/(less): Actuarial losses/(gains)	–	*(55,750)*	–	–
Less: Benefits paid	–	*(12,750)*	–	–
Add: Past service cost	–	–	–	–
Closing balance of the present value of defined benefit obligation	–	*979,239*	–	–

g) Reconciliation of Plan Assets:

Particulars	Gratuity plan		Compensated absences	
	As at March 31, 2017	*As at March 31, 2016*	**As at March 31, 2017**	*As at March 31, 2016*
	₹	₹	₹	₹
Interest Income	–	–	–	–
Return on plan assets excluding amounts included in interest income	–	–	–	–
Contributions by employer	–	–	–	–
Closing value of plan assets	–	–	–	–

l) Details of Asset-Liability Matching Strategy

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

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

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

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

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

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

NOTES FORMING PART OF ACCOUNTS (CONTD.)

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

a) List of related parties

Ultimate Holding Company	:	Larsen & Toubro Limited
Holding Company	:	L&T Infrastructure Development Projects Limited
Fellow Subsidiaries	:	Devihalli Hassan Tollway Limited
		L&T Deccan Tollways Limited
		Ahmedabad-Maliya Tollway Limited
		L&T Halol-Shamlaji Tollway Limited
		Vadodara Bharuch Tollway Limited
		L&T Krishnagiri Walahjapet Tollway Limited
		L&T Rajkot-Vadinar Tollway Limited
		L&T General Insurance Company Limited
		L&T Samakhiali Gandhidham Tollway Limited
		L&T Metro Rail (Hyderabad) Limited
		Krishnagiri Thopur Toll Road Limited
Associate company	:	Ashoka Concessions Limited
Key Management Personnel Manager	:	Sanjay Prabhakar Ingle
Chief Financial Officer	:	Gopal C Pande
Key Managerial Personnel of Holding Company	:	Manager - Mr. K.Venkatesh
		CFO- Karthikeyan T.V

b) Disclosure of related party transactions:

Nature of transaction/relationship	2016 – 17	*2015 – 16*
	₹	₹
Sale of assets		
Holding company		
L&T Infrastructure Development Projects Limited	**676,151**	
Fellow subsidiaries		
L&T Infrastructure Development Projects Limited		
Ahmedabad Maliya Tollway Ltd	**28,315**	
L & T BPP Tollway Ltd	**2,863,227**	
L&T Deccan Tollway Ltd	**1,312,921**	
L & T Interstate Road Corridor Limited	**8,335**	
Krishnagiri Thorpur Tollway Ltd	**77,765**	
L & T Rajkot Vadinar Tollway Ltd	**172,916**	
Vadodara Bharuch Tollway Ltd	**85,205**	
Devihalli Hassan Tollway Limited	**4,765,161**	
L&T Krishnagiri Wahellejpet Tollway Limited	**1,250,322**	
L&T Samakhiali Gandhidham Tollway Limited	**2,908,132**	*38,535*
Service received from		
Ultimate Holding company		
Larsen & Toubro Limited		
Business support service		*3,436,091*
Professional Fees	394,326	*237,458*
Holding company & fellow subsidiaries,		
L&T Infrastructure Development Projects Limited		
Business support service		*14,461,173*
O&M Fees		*9,679,159*
L&T General Insurance Company Limited		
Insurance premium		*5,560,587*

NOTES FORMING PART OF ACCOUNTS (CONTD.)

Nature of transaction/relationship	2016 – 17	*2015 – 16*
	₹	₹
Interest expense		
Ultimate Holding company		
Larsen & Toubro Limited		*51,766,651*
Holding company		
L&T Infrastructure Development Projects Limited		*240,709,631*
Associate company		
Ashoka Concessions Limited		*65,668,868*
Reimbursement of expenses charged by		
Holding company & fellow subsidiaries		
Ahmedabad Maliya Tollway Limited		*68,702*
L&T Metro Rail (Hyderabad) Limited		*12,750*
Krishnagiri Thopur Toll Road Limited		*63,000*
Reimbursement of expenses charged to		
Holding company & fellow subsidiaries		
L&T Infrastructure Development Projects Limited		*253,866*
L&T Halol Shamlaji Tollway Limited		*20,360*
L&T Rajkot Vadinar Tollway Limited		*1,687*
ICD / Promoters Loan / Mezzanine Debt received		
L&T Infrastructure Development Projects Limited	**519,014,927**	*1,037,600,000*
Loan repaid by L&T Infrastructure Development Projects Limited to Larsen & Toubro Limited on behalf of company		*439,660,000*
Associate company		
Ashoka Concessions Limited		*150,000,000*
Payment of salaries/perquisites		
Manager		
Sanjay Prabhakar Ingle	**769,396**	*2,157,186*

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

(Amount in ₹)

Particulars	Amounts due (to) / from	*Amounts due (to) / from*
	As at March 31, 2017	*As at March 31, 2016*
i. Ultimate Holding Company		
Larsen & Toubro Limited	**224,226,600**	*224,226,600*
EPC Cost	**212,045,923**	*102,045,770*
Interest on Promoters mezzanine debt	**182,025,356**	*182,025,356*
Reimbursement of expenses to	**–**	*1,306,192*
ii Holding Company		
L&T Infrastructure Development Projects Limited		
Equity Share Capital	**1,027,113,400**	*1,027,113,400*
Preference Share capital	**911,100,000**	*911,100,000*
Promoters mezzanine debt	**1,251,340,000**	*1,251,340,000*
Unsecured Loan	**1,801,200,000**	*1,801,200,000*
Interest on Loan	**502,801,729**	*502,801,729*
Services received	**519,014,927**	*8,812,250*

NOTES FORMING PART OF ACCOUNTS (CONTD.)

Particulars	Amounts due (to) / from	Amounts due (to) / from
	As at March 31, 2017	*As at March 31, 2016*
iii. Associate company		
Ashoka Concessions Limited		
Equity Share Capital	**439,660,000**	*439,660,000*
Preference Share capital	**320,100,000**	*320,100,000*
Promoters mezzanine debt	**439,660,000**	*439,660,000*
Unsecured loan	**40,000,000**	*40,000,000*
Interest on Loan	**184,584,373**	*184,584,373*
EPC Cost	**6,894,685**	*6,894,685*

d) Terms and conditions of transactions with related parties

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

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

f) Compensation of Key Management personnel of the group Manager : Mr.Sanjay Prabhakar Ingle

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Short term employee benefits	**769,396**	*2,157,186*
Post employment gratuity and medical benefits		
Other long term benefits		
Termination benefits		
Share based payment transactions		

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

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

Particulars		2016-17	2015-16
		₹	₹
Basic earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	(114,546,131)	(1,425,593,700)
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	169,100,000	169,100,000
Basic earnings per equity share (₹)	A / B	(0.68)	(8.43)

Potential equity shares that could arise on conversion of Optionally Convertible Cumulative Redeemable Preference Shares are not resulting into dilution of EPS in the current year. Hence, they have not been considered in the computation of diluted EPS in accordance with Accounting Standard (AS 20) "Earnings Per Share."

b) Diluted Earnings per share (EPS) computed in accordance with Accounting Standard (AS 20) "Earnings per share".

8 Exceptional items disclosed in the Statement of Profit and Loss represent the following:

a) The company issued a notice to terminate its concession with National Highways Authority of India (NHAI) under article 34.8 of the concession agreement on 25 February 2016 due to continuing Force Majeure. In terms of the said article, NHAI informed the Company regarding the acceptance of the termination w.e.f. 29 March 2016 and had took over the toll operations with effect from 13 April 2016. Consequently, the Company carried out an assessment of the carrying value of the Toll collection rights duly considering the expected payments arising out of the aforesaid termination, contractual stipulations/ interpretation of the relevant clauses, professional advise etc, an estimated amount of ₹ 2,29,73,35,575/- has been accounted towards impairment (pursuant to Accounting Standard (AS) 28 "Impairment of Assets") to the carrying value of Toll collection rights and has been disclosed as Exceptional Item in the Statement of Profit and Loss for the year ended 31 March 2017

b) Consequent to the termination of the concession, the carrying amount of resurfacing obligations (Periodic major maintenance) amounting to ₹ 20,66,89,622/- has been reversed and is presented as part of Exceptional item in the Statement of Profit and Loss for Current year

NOTES FORMING PART OF ACCOUNTS (CONTD.)

9 Capital Redemption Reserve & Dividend on Preference Shares

As the company does not have profits for the current year, Capital Redemption Reserve & dividend on Preference Shares for optionally convertible cumulitive redeemabe preference shares as defined under Section 55 of the Companies Act, 2013 has not been created.

10 During preceding financial year, the company had submitted intent to terminate the project and accordingly issued the notice of termination on February 25, 2016. The same was accepted by NHAI vide its minutes of meeting dated 7th April 2016 and conveyed that the date of termination shall be March 29, 2016. Consequently the toll operations were taken over by the authority on 13th April 2016 and Maintenance Operations taken over on 31st July 2016. The company has been engaged into various meeting with the authority with regard to finalization of termination proceeds and its settlement during the year. In the month of Aug 2016, NHAI released an adhoc payment of ₹.100 Cr. Further on Feb 21st 2017 NHAI, in turn issued a Termination Notice, alleging Concessionaire's Event of Default and arbitrarily computed the Termination Payment for the project at ₹ 996.57 Cr and after adjusting the adhoc payment and other recoveries made by them, released the payment of ₹.323.061 Cr on 26th Mar 2017, unilaterally, without granting an opportunity of being heard to the company on the above matter.

The company on 3rd April 2017 replied to the Notice of Termination by NHAI and on 4th April 2017 replied to the Termination Payment advice of NHAI, stating the facts on how termination payment calculated by NHAI is not in conformity with the stated provisions of the Concession Agreement, and justifying its eligibility for termination payments for an amount ₹,1704.41 Cr including certain contractual claims that are accepted and payable as per provisions of concession agreement.

In view of the above, the company is confident of recovering the amount considered as recoverable from NHAI under current assets under Note 5.

11 Going concern assumption is not appropriate, hence financial statement have been drawn up accordingly

12 The Company has reclassified and regrouped the previous year figures wherever considered necessary to confirm to this year's classification.

13 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.

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

a) Nature of provision:

The company is required to operate and maintain the project highway during the entire concession period and hand over the project back to the Authority (NHAI) as per the maintenance standards prescribed in Concession agreement.For this purpose, a regular maintenance along with periodic maintenances is required to be performed. Normally periodic maintenance includes resurface of pavements, repairs of structures and other equipments and maintenance of service roads. As per industry practice, the periodic maintenance is expected to occur after 5 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.Since the project concession is terminated and the provision made till March 31, 2016 is reversed and taken to exceptional item in profit and loss statement.

b) Movement in provisions:

Particulars	**As at 31 March 2017**	*As at 31 March 2016*	*As at 01 April 2015*
Opening balance	**206,689,622**	*124,485,793*	*124,485,793*
Additional provision		*68,000,000*	
Utilised			
Unused amounts reversed	**(206,689,622)**		
Unwinding of discount and changes in discount rate		*14,203,829*	
Closing balance	**–**	*206,689,622*	*124,485,793*

c) Contingent liabilities :

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

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

	SBNs ₹	**Other denomination notes ₹**	**Total ₹**
Closing cash in hand as on 08.11.2016	–	1,660	1,660
(+) Permitted receipts	–	–	–
(-) Permitted payments	–	–	–
(-) Amount deposited in Banks	–	–	–
Closing cash in hand as on 30.12.2016	–	1,660	1,660

NOTES FORMING PART OF ACCOUNTS (CONTD.)

16 Disclosure pursuant to Ind AS 38 - " Intangible Assets"

Intangible asset	Useful Life	Amortisation method used	Internally generated or Acquired
Toll Collection Rights	NA	NA	NA

17 Disclosures pursuant to 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 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.)

18 First time adoption of Ind AS

First time adoption of Ind AS

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

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

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

19 Disclosure pursuant to Ind AS 19 - " Leases"

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

Particulars	**As at 31 March 2017**	*As at 31 March 2016*	*As at 01 April 2015*
	₹	₹	₹
Within one year	–	–	–
After one year but not more than five years			
More than five years			
Total	–	–	–

20) Financial Instruments

Disclosure of Financial Instruments by Category

Financial instruments by categories	Note no.	31.03.2017			*31.03.2016*			*01.04.2015*		
		FVTPL	FVTOCI	Amortized cost	*FVTPL*	*FVTOCI*	*Amortized cost*	*FVTPL*	*FVTOCI*	*Amortized cost*
Financial asset										
Security Deposits	4	–	–	40,000	–	–	1,068,849	–	–	1,021,299
Cash and cash equivalents	6	–	–	770,896,915	–	–	8,978,313	–	–	15,525,866
Other Current Financial Asset	6	–	–	11,030,742,810	–	–	–	–		
Total Financial Asset		–	–	11,801,679,725	–	–	10,047,162	–	–	16,547,165
Financial liability										
Term Loan from Banks	9	–	–	9,593,525,939	–	–	11,926,084,441	–	–	12,431,710,997
Loans from related parties	9	–	–	4,051,214,927	–	–	3,532,200,000	–	–	3,553,360,000
Other Current Financial Liabilities	10	–	–	869,411,454	–	–	1,311,958,294	–	–	663,377,994
Trade Payables	13	–	–	216,413,439	–	–	29,079,030	–	–	176,939,815
Total Financial Liabilities		–	–	14,730,565,759	–	–	16,799,321,765	–	–	16,825,388,806

NOTES FORMING PART OF ACCOUNTS (CONTD.)

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.

21) 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	4	40,000	40,000	1,068,849	1,068,849	1,021,299	1,021,299
Cash and cash equivalents	6	770,896,915	770,896,915	8,978,313	8,978,313	15,525,866	15,525,866
Other Current Financial Asset	6	11,030,742,810	11,030,742,810	–	–	–	–
Total Financial Assets		11,801,679,725	11,801,679,725	10,047,162	10,047,162	16,547,165	16,547,165
Financial liability							
Term Loan from Banks	9	9,593,525,939	9,593,525,939	11,926,084,441	11,926,084,441	12,431,710,997	12,431,710,997
Loans from related parties	9	4,051,214,927	4,051,214,927	3,532,200,000	3,532,200,000	3,553,360,000	3,553,360,000
Other Current Financial Liabilities	10	869,411,454	869,411,454	1,311,958,294	1,311,958,294	663,377,994	663,377,994
Trade Payables	13	216,413,439	216,413,439	29,079,030	29,079,030	176,939,815	176,939,815
Total Financial Liabilities		14,730,565,759	14,730,565,759	16,799,321,765	16,799,321,765	16,825,388,806	16,825,388,806

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

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

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

22) 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	5	–	–	–	–
Total of Financial Assets		–	–	–	–
Financial Liabilities measured at FVTPL		–	–	–	–
Total of Financial Liabilities		–	–	–	–
Financial Asset & Liabilites Measured at Amortized cost for which fair values are to be disclosed	**Note No.**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Security Deposits	4	–	40,000	–	40,000
Total of Financial Assets		–	**40,000**	–	**40,000**
Financial Liabilities					
Term Loan from Banks	9	–	9,593,525,939	–	9,593,525,939
Loans from related parties	9	–	4,051,214,927	–	4,051,214,927
Other Current Financial Liabilities	10	–	869,411,454	–	869,411,454
Trade Payables	13	–	216,413,439	–	216,413,439
Total Financial liabilties		–	**14,730,565,759**	–	**14,730,565,759**

NOTES FORMING PART OF ACCOUNTS (CONTD.)

As at March 31, 2016

Financial Asset & Liabilites Measured at FV - Recurring FVM		Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL					
Investments in Mutual Funds	0	–	–	–	–
Total of Financial Assets		–	–	–	–
Financial Liabilitieis measured at FVTPL		–	–	–	–
Total of Financial Liabilities		–	–	–	–
Financial Asset & Liabilites Measured at Amortized cost for which fair values are to be disclosed		**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Security Deposits	4	–	1,068,849	–	1,068,849
Total Financial Assets		**–**	**1,068,849**	**–**	**1,068,849**
Financial Liabilities					
Term Loan from Banks	9	–	11,926,084,441	–	11,926,084,441
Loans from related parties	9	–	3,532,200,000	–	3,532,200,000
Other Current Financial Liabilities	10	–	1,311,958,294	–	1,311,958,294
Trade Payables	13	–	29,079,030	–	29,079,030
Total Financial Liabilities		**–**	**16,799,321,765**	**–**	**16,799,321,765**

As at April 1, 2015

Financial Asset & Liabilites Measured at FV - Recurring FVM		Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL					
Investments in Mutual Funds	0	–	–	–	–
Total of Financial Assets		–	–	–	–
Financial Liabilitieis measured at FVTPL		–	–	–	–
Total of Financial Liabilities		–	–	–	–
Financial Asset & Liabilites Measured at Amortized cost for which fair values are to be disclosed		**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Security Deposits	4	–	1,021,299	–	1,021,299
Total of Financial Assets		**–**	**1,021,299**	**–**	**1,021,299**
Financial Liabilities					
Term Loan from Banks	9	–	12,431,710,997	–	12,431,710,997
Loans from related parties	9	–	3,553,360,000	–	3,553,360,000
Other Current Financial Liabilities	10	–	663,377,994	–	663,377,994
Trade Payables	13	–	176,939,815	–	176,939,815
Total of Financial Liabilities		**–**	**16,825,388,806**	**–**	**16,825,388,806**

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

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

Valuation technique and inputs used to determine fair value

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

NOTES FORMING PART OF ACCOUNTS (CONTD.)

23) Asset pledged as security

Particulars	Note no	31.03.2017	31.03.2016	01.04.2015
Non Current Financial Asset				
Property, Plant & Equipment	1	**940,000**	*940,000*	*940,000*
Other Financial Asset	3	**–**	*1,068,849*	*1,021,299*
Current Financial Asset				
Cash and Cash Equivalents	6	**770,896,915**	*8,978,313*	*15,525,866*
Investments In Mutual Fund	5	**–**	–	–
Other Financial Asset	4	**11,030,742,810**	–	–
TOTAL		**11,802,579,725**	*10,987,162*	*17,487,165*

24) 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 oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

Market risk

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

i Foreign Currency Risk

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

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

ii Interest rate risk

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

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

Currently, Lending by Commercial Banks is at variable rate only, which is the inherent business risk. However in view handing over project to NHAI, interest on senior debt is claimed from NHAI due to delay in settlement of Termination Compensation. Hence there is no risk associated with variation in interest rate.

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).

iv Liquidity risk

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

The payment against senior debt is linked to settlement of termination payment by NHAI.

v Credit risk

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

The payment against senior debt is linked to settlement of termination payment by NHAI.

25) Transitional Details

(i) Borrowings

Under previous Indian GAAP, transaction costs incurred in connection with borrowings are capitalise and amortised accordingly. 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 ₹. 1,05,06,903/- Consequently an amount of ₹. 1,20,48,395/- has been derecognised from toll collection rights with an effect of ₹. 15,41,492/- to retained earnings.

(ii) Provisions

Under previous Indian GAAP, the Company had accounted for provisions, including the provision periodic major maintenance at the

NOTES FORMING PART OF ACCOUNTS (CONTD.)

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 ₹. 8,90,36,788/- Consequently, provision for periodic major maintenance as at the transition date is adjusted to the extent of ₹. 8,90,36,788/-

26) In lieu of discontinuation of operations and termination of project w.e.f 29th March 2016 the company has not recognised any defered tax asset/ liability.

27 Reconcilation of equity as at 1st April 2015

Particulars	Note	Indian GAAP* ₹	Adjustments ₹	Ind AS ₹
ASSETS				
(1) Non-current assets				
a) Property, Plant and Equipment	1	69,574,438	–	69,574,438
b) Intangible assets	2	16,662,767,582	–	16,662,767,582
c) Non-current investment	3	940,000		940,000
d) Financial Assets	–	–	–	
i) Loans	3	1,021,299	–	1,021,299
e) Other non-current assets	4	48,915,295		48,915,295
	A	**16,783,218,614**	**–**	**16,783,218,614**
Current assets				
b) Financial Assets	–	–		
i) Investments	5	–	–	–
iii) Cash and bank balances	**6**	**15,525,866**	–	*15,525,866*
c) Current Tax Assets (net)	4	10,367,755	–	10,367,755
d) Other current assets	4	1,917,891	–	1,917,891
	B	**27,811,512**	**–**	**27,811,512**
TOTAL	**A+B**	**16,811,030,126**	**–**	**16,811,030,126**
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share capital	7	1,691,000,000	–	1,691,000,000
b) Other Equity	8	(2,157,088,978)	–	(2,157,088,978)
	C	**(466,088,978)**	**–**	**(466,088,978)**
LIABILITIES				
(1) Non-current liabilities				
a) Financial liabilities	–	–	–	
i) Borrowings	9	14,294,070,997	–	14,294,070,997
ii) Other financial liabilities	10	663,377,994		663,377,994
b) Provisions	11	126,312,310	–	126,312,310
	D	**15,083,761,301**	**–**	**15,083,761,301**
Current liabilities				
a) Financial liabilities				
i) Borrowings ST	9	1,691,000,000		1,691,000,000
ii) Trade payables	13	176,939,815		176,939,815
iii) Other financial liabilities	10	–		–
b) Other current liabilities	12	325,356,214		325,356,214
c) Provisions	11	61,774		61,774
	E	**2,193,357,803**	**–**	**2,193,357,803**
Total Equity and Liabilities	**C+D+E**	**16,811,030,126**	**–**	**16,811,030,126**

* 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.)

28 Reconcilation of equity as at 1st April 2016

Particulars	Note	Indian GAAP* ₹	Adjustments ₹	Ind AS ₹
ASSETS				
(1) Non-current assets				
a) Property, Plant and Equipment	1	56,128,447	–	56,128,447
c) Intangible assets	2	16,471,590,490	–	16,471,590,490
e) Financial Assets		940,000	–	940,000
i) Loans	3	1,068,849	–	1,068,849
g) Other non-current assets	4	48,915,295		48,915,295
	A	**16,578,643,081**	**–**	**16,578,643,081**
Current assets				
b) Financial Assets	–	–	–	
i) Investments	5	–	–	–
iii) Cash and bank balances	6	8,978,313	–	8,978,313
c) Current Tax Assets (net)	4	7,332,489	–	7,332,489
d) Other current assets	4	1,574,342	–	1,574,342
	B	**17,885,144**	**–**	**17,885,144**
TOTAL	**A+B**	**16,596,528,225**	**–**	**16,596,528,225**
EQUITY AND LIABILITIES				
EQUITY				
a) Equity Share capital	7	1,691,000,000	–	1,691,000,000
b) Other Equity	8	(2,351,482,678)	–	(2,351,482,678)
	C	**(660,482,678)**	**–**	**(660,482,678)**
LIABILITIES				
(1) Non-current liabilities				
a) Financial liabilities		–	–	
i) Borrowings	9	14,274,584,417	–	14,274,584,417
ii) Other financial liabilities	10	1,005,796,730		1,005,796,730
b) Provisions	11	209,740,967	–	209,740,967
	D	**15,490,122,114**	**–**	**15,490,122,114**
Current liabilities				
a) Financial liabilities				
i) Borrowings ST	9	1,183,700,024		1,183,700,024
ii) Trade payables	13	29,079,030		29,079,030
iii) Other financial liabilities	10	306,161,564		306,161,564
b) Other current liabilities	12	247,737,351		247,737,351
c) Provisions	11	210,820		210,820
	E	**1,766,888,789**	**–**	**1,766,888,789**
Total Equity and Liabilities	**C+D+E**	**16,596,528,225**	**–**	**16,596,528,225**

* 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.)

29 Reconciliation of Profit and loss as at 31st March, 2016

Particulars	Note	Indian GAAP* ₹	Adjustments ₹	Ind AS ₹
REVENUE				
Revenue from Operations	14	937,633,448	–	937,633,448
Other income	15	1,771,864	–	1,771,864
Total Revenue		**939,405,312**	**–**	**939,405,312**
EXPENSES				
Construction contract expenses				
Operating expenses	16	307,425,744	–	307,425,744
Employee benefit expenses	17	12,075,238	–	12,075,238
Finance costs	18	1,820,668,475	–	1,820,668,475
Depreciation and amortisation		204,729,074	–	204,729,074
Administration and other expenses	19	20,100,481	–	20,100,481
Total Expenses		**2,364,999,012**	**–**	**2,364,999,012**
Profit/(loss) before tax		**(1,425,593,700)**	**–**	**(1,425,593,700)**
Tax Expense:		–	–	
Current tax		–	–	–
Profit/(loss) after tax for the year		**(1,425,593,700)**	**–**	**(1,425,593,700)**
Prior period adjustments		–	–	
Profit for the year		**(1,425,593,700)**	**–**	**(1,425,593,700)**
Other comprehensive income:		–		
ii) Items that will be reclassified to profit or loss (net of tax)				
Total comprehensive income for the year		**(1,425,593,700)**	**–**	**(1,425,593,700)**

NOTE I : SIGNIFICANT ACCOUNTING POLICIES

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

1. Basis of preparation

(a) Compliance with IndAS

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

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

These financial statements are the first financial statements of the Company under IndAS. Refer H(15) for an explanation on how the transition from previous IGAAP to IndAS has affected the Company's financial position, financial performance and cash flows.

(b) Basis of measurement

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

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

(c) Use of estimates and judgements

The preparation of these financial statements in conformity with IndAS requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these

NOTES FORMING PART OF ACCOUNTS (CONTD.)

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.

e) Revenue from annuity based projects is recognised in the Statement of Profit and Loss over the concession period of the respective projects based on the implicit rate of return embedded in the projected cash flows. Such income is duly adjusted for any variation in the amount and timing of the cash flows in the period in which such variation occurs.

f) Project facilitation and advisory fees are recognised using proportionate completion method based on the agreement / arrangement with customers.

g) Revenue from windmill operations is recognised based on contractual agreements with the holding company and the state electricity board.

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

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

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

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

NOTES FORMING PART OF ACCOUNTS (CONTD.)

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

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

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

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

4 Inventories

Inventories are stated at lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Project work-in-progress is carried at cost net of incidental income.

5 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.

6 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.

7 Property, plant and equipment (PPE)

A. Domestic Companies

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.

The estimated useful lives of the assets are as follows:

Category of Property, plant and equipment	**Estimated useful life (in years)**
Buildings including ownership flats	50
Plant and equipment:	
DG Sets	12
Air-conditioning and refrigeration equipment	12
Split AC and Window AC	4
Furniture and fixtures	10
Vehicles:	
Motor cars (other than those under the Company owned car scheme)	7
Motor cars (under the Company owned car scheme)	5

NOTES FORMING PART OF ACCOUNTS (CONTD.)

Category of Property, plant and equipment	Estimated useful life (in years)
Motor cycles, scooters and other mopeds	10
Tractors and other vehicles	8
Office equipment:	
Multifunctional devices, printers, switches and projectors	4
Other office equipments	5
Computers:	
Servers and systems	6
Desktops, laptops, etc,	3
Wind power generating plant	20
Electrical installations	10

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

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

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

B. Foreign Companies

Depreciation has been provided on methods and at the rates required/permissible by the local laws so as to depreciate the assets over their useful life.

8 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 Indian GAAP.

9 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.

10 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.

NOTES FORMING PART OF ACCOUNTS (CONTD.)

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.

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

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

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

b) Other intangible assets

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

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

11 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.

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

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

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

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

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

e) Financial statements of foreign operations are translated into Indian Rupees as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates; and

(iv) all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve (FCTR) and the same is subsequently reclassified to profit or loss on disposal of a foreign operation.

f) Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalized as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

g) Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortized over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

12 Government grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve.

13 Investments

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

NOTES FORMING PART OF ACCOUNTS (CONTD.)

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.

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. The determination of carrying amount of such investments is done on the basis of weighted average cost of each individual investment.

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

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

14 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.

NOTES FORMING PART OF ACCOUNTS (CONTD.)

(iv) Termination benefits

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

15 Borrowing costs

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

16 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.

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’.

17 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.

18 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.

19 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

NOTES FORMING PART OF ACCOUNTS (CONTD.)

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.

20 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.

21 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.

22 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)):

NOTES FORMING PART OF ACCOUNTS (CONTD.)

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

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

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

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

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

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

A financial asset is primarily derecognised when:

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

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

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

b) Financial Liabilities

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

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

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

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

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

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

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

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

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

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

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

NOTES FORMING PART OF ACCOUNTS (CONTD.)

Impairment of financial assets (Expected Credit Loss Model)

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, other contractual rights to receive cash or other financial asset and financial guarantees not designated at FVTPL

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

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

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

23 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.

24 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilizing the credits.

25 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.

26 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.

27 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 accounted for changes in a parent's ownership in a subsidiary that does not result in loss of control in accordance with Ind AS 110, prospectively from the date of transition.
3. The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.
4. 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.

NOTES FORMING PART OF ACCOUNTS (CONTD.)

5. Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before 01 April 2015.
6. The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.
7. The company has assessed all contracts and arrangements for embedded leases based on conditions in place as at the date of transition.
8. The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date.
9. 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.
10. The Company has not elected the option to reset the cumulative translation differences on foreign operations that exist as of the transition date to zero.
11. The Company has decided to continue with the revenue based amortisation method for existing road concessions.

As per our report of attached

For GIANENDER & ASSOCIATES
Chartered Accountants
(Firm Registration No: 04661N)
by the hand of

MANJU AGRAWAL
Partner
Membership No.: 083878

Place : Chennai
Date : April 27, 2017

For and on behalf of the Board

GOPAL C PANDE	**T.S.VENKATESAN**	**P.G.SURESH KUMAR**
Chief Financial Officer	*Director*	*Director*
	DIN: 01443165	*DIN: 07124883*

Place : Chennai
Date : April 27, 2017