BOARD'S REPORT (SECTION 134)

Dear Members,

The Directors have pleasure in presenting their Report and Audited Accounts for the year ended 31st March, 2018.

FINANCIAL RESULTS / FINANCIAL HIGHLIGHTS:

₹ in crore

Particulars	**2017-18**	*2016-17*
Profit / (Loss) Before Depreciation, exceptional items & Tax	**(4.38)**	*12.56*
Less: Depreciation, amortization, impairment and obsolescence	**–**	–
Profit / (Loss) before exceptional items and tax	**(4.38)**	*12.56*
Add: Exceptional Items	**–**	–
Profit / (Loss) before tax	**(4.38)**	*12.56*
Less: Provision for tax	**0.27**	*3.92*
Profit / (Loss) for the year carried to the Balance Sheet	**(4.65)**	*8.64*
Add: Balance brought forward from previous year	**37.71**	*29.07*
Balance available for disposal (which the Directors appropriate as follows)	**33.07**	*37.71*
Debenture Redemption Reserve	**8.64**	–
Balance to be carried forward	**24.43**	*29.07*

CAPITAL & FINANCE

The Company had during the financial year 2014-15, raised ₹ 409.40 crore by issue of Non-Convertible Debentures ("NCD") primarily to refinance its debts including foreign currency loans.

During the financial year 2017-18, the Company has redeemed NCDs worth ₹ 47.75 crore. The cumulative amount of NCDs redeemed as on March 31, 2018 was ₹ 139.25 crore. The outstanding amount of the NCDs as at March 31, 2018 stands at ₹ 222.40 Crore.

Further, the Company has neither issued nor allotted share capital during the year under review.

CAPITAL EXPENDITURE

As at March 31, 2018 the gross fixed and intangible assets including leased assets, stood at ₹ 0.25 crore and the net fixed and intangible assets, including leased assets, at ₹ 0.14crore. There was no Capital Expenditure incurred during the year.

DEPOSITS

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 (the "Act") and the Rules framed thereunder.

DEPOSITORY SYSTEM

As on March 31, 2018, the shares of the Company are held in the following manner:

Equity shares:

More than 99% of the Company's equity paid up capital representing 5,71,59,994 equity shares @ ₹ 10/- each are held in dematerialized form and 6 equity shares @ ₹ 10/- each are held in physical form.

Non-convertible Debentures (NCD):

100% of Debentures amounting to ₹ 222.40 Crore are held in dematerialized form and are listed with BSE Limited.

SUBSIDIARY COMPANIES

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

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

The Company is engaged in the business of developing infrastructure facilities through its subsidiaries (SPV) and hence the provisions of Section 186 except sub-section (1) of the Act, are not applicable to the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions during the year have been approved in terms of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015. All related party transaction were at arms' length basis and in the ordinary course of business. Details of Related Party Transactions are provided in Annexure I (AOC-2).

STATE OF COMPANY AFFAIRS:

The gross revenue and other income for the financial year under review were ₹ 36.10 crore as against ₹ 54.75 crore for the previous financial year registering an decrease of 34.07%. The loss before tax and loss after tax was ₹ 4.38 crore and ₹ 4.65 crore for the financial year under review as against profit of ₹ 12.60 crore and ₹ 8.67 crore respectively for the previous financial year, registering a decrease of 134.79 % and 153.69% respectively.

AMOUNT TO BE CARRIED TO RESERVE:

During the year an amount of ₹ 8.64 crore was transferred to Debenture Redemption Reserve.

DIVIDEND

In view of the losses incurred, no dividend is recommended for the year.

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

There are no Material changes and commitments affecting the financial position of the company, between the end of the financial year and the date of the report

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

Conservation of Energy and Technology absorption

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

Foreign exchange earnings and outgo

During the year the Company had incurred expenditure in foreign currency for an amount of ₹ 0.12 crore as foreign expenditure towards maintenance of toll equipment.

RISK MANAGEMENT POLICY:

The Company follows the risk management policy of L&T Infrastructure Development Projects Limited (the "Holding Company") and has in place a mechanism to inform the Board Members about risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework.

CORPORATE SOCIAL RESPONSIBILITY:

Since the Company does not fulfil the criteria specified under Section 135 of the Act, the provisions of Corporate Social Responsibility are not applicable.

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

Mr. Karthikeyan T.V, Director who had retired by rotation at the Annual General Meeting held on September 27, 2017 was re-appointed as Director at the said meeting.

Composition of Board of Directors of the Company as on March 31, 2018 stood as below:

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

Mr. Manoj Singh was appointed as Chief Financial Officer with effect from October 24, 2017 in place of Ms. Shivangi Khetrapal who had resigned with effect from August 17, 2017.

The Key Managerial Personnel (KMP) of the Company as on March 31, 2018 are:

S. No.	Name	Designation	Date of Appointment
1	Mr. N.C.Joshi	Manager	March 15, 2017
2	Mr. Manoj Singh	Chief Financial Officer	October 24, 2017
3	Ms. Niveditha B.	Company Secretary	January 17, 2017

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

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

During the year 4 (four) Board Meetings were held as detailed hereunder:

Date	Board Strength	No. of Directors Present
April 24, 2017	5	5
July 17, 2017	5	5
October 24, 2017	5	5
January 16, 2018	5	5

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 (AC), Nomination and Remuneration Committee (NRC).
- 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

Presentations are made regularly to the Board/NRC/AC (minutes of Board, AC and NRC are circulated to the Board), where Directors get an opportunity to interact with senior managers. Presentations, interalia cover business strategies, management structure, HR policy, management development and planning, half-yearly and annual results, budgets, treasury, review of Internal Audit, risk management, etc.

Independent Directors have the freedom to interact with the Company's management. Interactions happen during the Board / Committee Meetings, when senior company personnel make presentations about performance of the Company.

AUDIT COMMITTEE

The Company has an Audit Committee in place in terms of the requirements of the Companies Act, 2013. During the year the Committee was reconstituted with the inclusion of Mr. P.G.Suresh Kumar as member in place of Mr. R.G.Ramachandran. As at March 31, 2018 the Audit Committee comprised of Dr. Ashwin Mahalingam, Ms. Samyuktha Surendran and Mr. P.G.Suresh Kumar.

During the year, four audit committee meetings were held as detailed hereunder:

Date	Strength	No. of members present
April 24, 2017	3	3
July 17, 2017	3	3
October 24, 2017	3	3
January 16, 2018	3	3

As per the provisions of Section 177(9) of the Act, the Company is required to establish an effective Vigil Mechanism for directors and employees to report genuine concerns.

The Company follows the whistle blower policy of the Holding Company to report concerns about unethical activities, actual/suspected frauds and violation of Company's Code of Conduct. The policy provides for adequate safeguards against victimization of persons who avail the same and provides for direct access to the Chairman of the Audit Committee.

Member can view the details of the whistle blower policy under the said framework of the Holding Company on its website www.lntidpl.com.

COMPANY POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION

The Company has constituted the Nomination & Remuneration Committee in accordance with the requirements of the Act read with the Rules made thereunder comprising of Dr. Ashwin Mahalingam, Ms. Samyuktha Surendran and Mr. Karthikeyan T.V.

During the year, one meetings of the Nomination & Remuneration Committee was held as detailed hereunder:

Date	Strength	No. of members present
October 24, 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 and also for KMP.

DECLARATION OF INDEPENDENCE

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2018, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS

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

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms that:

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

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

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

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

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

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

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS:

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

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

Further, the Independent Directors at the meeting held on December 23, 2017, reviewed the performance of Board, Committees, and Non-Executive Directors. The performance evaluation of the Board, Committees and Directors was also reviewed by the Nomination and Remuneration Committee and the Board of Directors.

DISCLOSURE OF REMUNERATION:

The information required under Section 197(12) of the Act and the Rules made thereunder, is provided below.

The Directors of the Company are not paid any remuneration except sitting fees to certain directors. Hence, the remuneration of the Directors to that of the employees of the Company is not comparable.

REMUNERATION OF KMP

₹ in crore *(rounded off to two decimals)*

Name of the KMP	Designation	Remuneration in FY 2017-18	Remuneration in FY 2016-17	% increase in remuneration of FY 2017-18 as compared to previous FY	Performance of the Company for FY 2017-2018#	
					% of Revenue Decrease in revenue of FY 2017-18 as compared to FY 2016-2017	% of Profit after Tax decrease in loss of FY 2017-18 as compared to FY 2016-2017
Mr. N.C.Joshi	Manager	0.29	0.02*	–	–#	–#
Mr. Manoj Singh@	CFO	–	–	–	–	–
Ms. Niveditha B.@	Company Secretary	–	–		–	–

*Remuneration for part of the year with effect from March 15, 2017

#Revenue is stable till the end of concession period as it is an annuity project

@Employees of Holding Company

The Median Remuneration of Employees ("MRE") was ₹ 4.40 lakh and ₹ 4.57 lakh in the financial year 2017-18 and 2016-17 respectively. The percentage decrease in MRE in the financial year 2017-18 as compared to previous financial year is 4%.

The number of permanent employees on the rolls of the Company as of March 31, 2018 and March 31, 2017 was 11 and 8 respectively.

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

There are no such employees required to be disclosed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The information in respect of employees of the Company required pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is provided in Annexure III forming part of this report. In terms of Section 136(1) of the Act and the rules made thereunder, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure.

Any Shareholder interested in obtaining a copy of the same may write to the Company Secretary at the Registered Office of the Company. None of the employees listed in the said Annexure is related to any Director of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

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

PROTECTION OF WOMEN AT WORKPLACE

The Company has adopted a policy on Protection of Women's Rights at workplace in line with the policy formulated by the Holding Company. This has been widely disseminated. There were no complaints of sexual harassment received by the Company during the year.

AUDITOR'S REPORT

The Auditor's Reports on the financial statements for the financial year 2017-18 are unqualified. The Notes to the accounts referred to in the Auditor's Report are self-explanatory and do not call for any further clarifications under section 134(3)(f) of the Act.

AUDITOR:

The Company at its 11th Annual General Meeting (AGM) held on September 27, 2017 have M/s. Manubhai & Shah, Chartered Accountants, (Firm Reg no: 106041W) as Auditors of the Company to hold office until the conclusion of the 16th AGM of the Company to be held during the year 2022.

SECRETARIAL AUDITOR:

M/s. Alagar & Associates, a firm of Company Secretaries in practice, was appointed to conduct the secretarial audit of the Company for the financial year 2017-18, as required under Section 204 of the Act and Rules thereunder.

The secretarial audit report dated July 10, 2018 to the Shareholders for the financial year 2017-18 is unqualified and is attached as 'Annexure III' to this Report.

DEBENTURE TRUSTEE

As at March 31, 2018, the total outstanding Debentures allotted by the Company were ₹ 222.40 Crore. M/s. IDBI Trusteeship Services Limited, having their office at Asian Building, Ground Floor, 17, R.Kamani Marg, Ballard Estate, Mumbai – 400001 have been appointed as the Debenture Trustees for the same.

EXTRACT OF ANNUAL RETURN

As per the provisions of Section 92(3) of the Act, an extract of the Annual Return in form MGT-9 is attached as Annexure II to this Report.

ACKNOWLEDGEMENT

The Board of Directors wish to express their appreciation to all the employees for their outstanding contribution to the operations of the Company during the year. Your Directors take this opportunity to thank financial institutions, banks, Trustee, Central and State Government authorities, regulatory authorities, stock exchanges and all the stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

	KARTHIKEYAN. T.V	**R.G.RAMACHANDRAN**
Place: Chennai	*Director*	*Director*
Date: July 12, 2018	*DIN: 01367727*	*DIN: 02671982*

ANNEXURE I

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Act 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 contracts or arrangement or transactions at arm's length basis:

   a. There were no contracts or arrangements entered into by the Company with related party(s) during the FY 2017-18 which required shareholders' approval as per Sec. 188(1) of the Act.

   b. The details of related party transactions during the FY 2017-18 form part of the financial statements as per Ind AS 24 and the same is given in Note H(6).

For and on behalf of the Board

	KARTHIKEYAN. T.V	**R.G.RAMACHANDRAN**
Place: Chennai	*Director*	*Director*
Date: July 12, 2018	*DIN: 01367727*	*DIN: 02671982*

ANNEXURE II

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2018

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

I. REGISTRATION AND OTHER DETAILS:

CIN	U45203TN2006PLC058735
Registration Date	02/02/2006
Name of the Company	L&T Interstate Road Corridor Limited
Category / Sub-Category of the Company	Company Limited by shares/Indian Non-government Company
Address of the Registered office and contact details	P.O.Box.979, Mount Poonamallee Road, Manapakkam, Chennai- 600089
Whether listed company Yes / No	Yes, Non-Convertible Debentures(NCDs) listed on BSE
Name, Address and Contact details of Registrar and Transfer Agent, if any	NSDL Database Management Limited 4th Floor, Trade World A Wing, Kamala Mills Compound Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Ph: 022 4914 2591

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held as on April 1, 2017				No. of Shares held as on March 31, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Phsical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	42298394	14861604*	57159998	99.99	57159992	6*	57159998	99.99	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other….	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	**42298394**	**14861604***	**57159998**	**99.99**	**57159992**	**6***	**57159998**	**99.99**	**–**
2) Foreign									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
b) Other - Individuals									
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Other….									
Sub-total (A) (2):-	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**42298394**	**14861604***	**57159998**	**99.99**	**57159992**	**6***	**57159998**	**99.99**	**–**

Category of Shareholders	No. of Shares held as on April 1, 2017				No. of Shares held as on March 31, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Phsical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2. Non-Institutions									
a) Bodies Corp.	–	–	–	–	–	–	–	–	–
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2	–	2	0.01	2	–	2	0.01	–
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	**2**	**–**	**2**	**0.01**	**2**	**–**	**2**	**0.01**	**–**
Total Public Shareholding (B) = (B)(1)+ (B)(2)	**2**	**–**	**2**	**0.01**	**2**	**–**	**2**	**0.01**	**–**
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	**42298396**	**14861604***	**57160000**	**100**	**57159994**	**6***	**57160000**	**100**	**–**

*including shares held by individuals jointly with L&T Infrastructure Development Projects Limited

(ii) Shareholding of Promoters

Sl No	Shareholders Name	Shareholding as on April 01, 2017			Shareholding as on March 31, 2018			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Share	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	L&T IDPL	57159992	99.99	26	57159992	99.99	–	–
2	Mr. Krishnamurthy Venkatesh Jointly with L&T IDPL	1	0	–	1	0	–	–
4	Mr. Karthikeyan T.V. Jointly with L&T IDPL	1	0	–	1	0	–	–
3	Dr. Esther Malini Jointly with L&T IDPL	1	0	–	1	0	–	–
4	Mr. J.Subramanian Jointly with L&T IDPL	1	0	–	1	0	–	–
5	Mr. R.G.Ramachandran Jointly with L&T IDPL	1	0	–	1	0	–	–
6	Mr. P.G.Suresh Kumar Jointly with L&T IDPL	1	0	–	1	0	–	–
	Total	**57159998**	**99.99**	**26**	**57159998**	**99.99**	**–**	**–**

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

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. T. S. Venkatesan				
	As on April 01, 2017	2	0.01	2	0.01
	No Increase/ Decrease in Shareholding during the year	–	–	–	–
	March 31, 2018	2	0.01	2	0.01

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Karthikeyan T.V. Jointly with L&T IDPL				
	As on April 01, 2017	1	0	1	0
	No Increase/Decrease in Shareholding during the year	–	–	–	–
	As on March 31, 2018	1	0	1	0
2	Mr. R.G.Ramachandran Jointly with L&T IDPL				
	As on April 01, 2017	1	0	1	0
	No Increase/Decrease in Share holding during the year	–	–	–	–
	As on March 31, 2018	1	0	1	0
2	Mr. P.G.Suresh Kumar Jointly with L&T IDPL				
	As on April 01, 2017	1	0	1	0
	No Increase/Decrease in Share holding during the year	–	–	–	–
	As on March 31, 2018	1	0	1	0

V. INDEBTEDNESS

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
As on April 1, 2017			
i) Principal Amount	269,33,73,310	–	269,33,73,310
ii) Interest due but not paid	–	–	–
iii) Interest accrued but not due	56,96,33,736	–	363,047,857
Total (i+ii+iii)	**326,30,07,046**	**–**	**326,30,07,046**
Change during the financial year			
Addition		–	
Reduction	33,13,39,808	–	33,13,39,808
Net Change	**(33,13,39,808)**	**–**	**(33,13,39,808)**
As on March 31, 2017			
i) Principal Amount	221,77,13,860	–	221,77,13,860
ii) Interest due but not paid	–	–	–
iii) Interest accrued but not due	71,39,53,378	–	71,39,53,378
Total (i+ii+iii)	**293,16,67,238**	**–**	**293,16,67,238**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Manager: Mr. N.C.Joshi	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	29,74,400	**29,74,400**
2.	Stock Option	–	**–**
3.	Sweat Equity	–	**–**
4.	Commission		
	- as % of profit		
	- others, specify…	–	**–**
5.	Others, please specify	–	**–**
	Total	**29,74,400**	**29,74,400**
	Ceiling as per the Act		**1,22,79,591**

B. Remuneration to other directors:

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	**Dr. Ashwin Mahalingam**	**Mrs. Samyuktha Surendran**	
	Fee for attending Board Meeting / Committee Meeting	1,60,000	1,60,000	3,20,000
	Commission	–	–	–
	Others	–	–	–
	Total (1)	**1,60,000**	**1,60,000**	**3,20,000**
2.	**Other Non – Executive Directors**			
	1) Mr. Karthikeyan T. V.			
	2) Dr. Esther Malini No fee for attending Board Meeting / Committee Meeting and no Commission was paid	–	–	–
	Total (2)	**–**	**–**	**–**
	Total (B)=(1+2)	**1,60,000**	**1,60,000**	**3,20,000**
	Overall Ceiling as per the Act	**Sitting fees not more than ₹ 1,00,000 per meeting of Board or Committee.**		

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

No remuneration was paid to KMP except Manager of the Company. Mr. Manoj Singh, CFO and Ms. Niveditha B, Company Secretary of the Company are employees of the Holding Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

KARTHIKEYAN. T.V
Director
DIN: 01367727

R.G.RAMACHANDRAN
Director
DIN: 02671982

Place: Chennai
Date: July 12, 2018

ANNEXURE III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2018

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

To,
The Members,
L&T Interstate Road Corridor Limited

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2018 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended March 31, 2018 according to the provisions of:

(i) The Companies Act, 2013('Act') and the rules made thereunder, as amended from time to time;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder, as amended from time to time;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, as amended from time to time;

(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, as amended from time to time-Not Applicable to the Company during the Audit period;

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

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- Not Applicable to the Company during the Audit period;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - Not Applicable to the Company during the Audit period;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable to the Company during the Audit period;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not Applicable to the Company during the Audit period;

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

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

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable to the Company during the Audit period;

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable to the Company during the Audit period;

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

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

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

I further report that based on the explanation given, information received, and process explained, 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 labour laws, rules, regulations and guidelines. The Company has confirmed compliance with the following labour and industrial laws;

a) Electricity Rules,1956

b) Information Technology Act, 2000

c) Motor Vehicles Act, 1988

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

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

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

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

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

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

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

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

I further report that except alteration of Articles of Association for inclusion of new clause there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc, having major bearing on the Company's affairs.

For M.Alagar & Associates

Place: Chennai **M. Alagar**

Date: July 10, 2018 *FCS No: 7488*

CoP No.: 8196

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

'ANNEXURE A'

To,

The Members

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

For M.Alagar & Associates

Place: Chennai **M. Alagar**

Date: July 10, 2018 *FCS No: 7488*

CoP No.: 8196

INDEPENDENT AUDITOR'S REPORT

To

The Members of

L&T Interstate Road Corridor Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying Financial Statements of **L&T Interstate Road Corridor Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and 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 '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 Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Financial Statements based on our audit.

In conducting 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 Financial Statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

OTHER MATTER

Company prepares another set of Financial Statements in accordance with Accounting Standards specified under Section 133 of the Companies (Accounts) Rules, 2014. We have determined that both frameworks are acceptable in respective circumstances and we have also expressed an opinion on those Financial Statements.

Our opinion is not modified in respect of this matter.

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", a statement on the matters specified in the paragraphs 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 Cash Flow Statement 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 Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure – B".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's financial controls over financial reporting.

(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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company doesn't have any pending litigations which would have impact on its financial position in its Financial Statements – Refer Note F to the Financial Statements.

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

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

For Manubhai and Shah LLP
Chartered Accountants
Firm's Registration No.106041W/W100136

(K. C. Patel)
Partner
Membership No. 030083

Place: Ahmedabad
Date: April 20, 2018

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report the members of L&T Interstate Road Corridor Limited of even date)

Report on the Companies (Auditor' Report) Order, 2016, issued in terms of section 143 (11) of the Companies Act, 2013('the Act') of L&T Interstate Road Corridor Limited ('the Company')

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

(b) The fixed assets have been physically verified during the year by the Management in accordance with programme of physical verification, which in our opinion,provides for physical verification of all fixed assets at a reasonable intervals having regard to size of the Company and nature of fixed assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The title deeds of the immovable property are held in the name of the company.

(ii) The Company had no inventory during and at the year end. Hence the reporting requirements of paragraph 3(ii) of the Order is not applicable.

(iii) The Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Hence the reporting requirements of paragraph 3 (iii) of the Order are not applicable.

(iv) The Company has not given loans, made investments or provided guarantees or security, attracting the provisions of sections 185 and 186 of the Act. Hence the reporting requirements of paragraph 3(iv) of the Order are not applicable.

(v) The Company has not accepted deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

(vi) The Company has made and maintained the cost records prescribed by the Central Government under section 148(1) of the Act.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, custom duty, excise duty, value added tax, cess, goods and services tax and other material statutory dues as applicable have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, value added tax, cess, goods and services tax and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, goods and services tax, duty of excise, duty of customs, sales tax or service tax or value added tax or goods and services tax or cess which have not been deposited with the appropriate authorities on account of any dispute.

(viii) Based on our audit procedure and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The company has not borrowed or raised any money from the financial institutions, government or debenture holder during the year.

(ix) The Company has not raised any money by way of initial public offer or further public offer. Further the company has not raised any term loan during the year. Hence the reporting requirement of paragraph 3(ix) of the Order is not applicable.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the Management, we report that no material fraud on or by the Company has been noticed or reported during the year.

(xi) No managerial remuneration has been paid or provided by the Company during the year. Hence the reporting requirement of paragraph 3(xi) of the Order is not applicable.

(xii) In our opinion the Company is not a Nidhi Company. Therefore the reporting requirement of Clause 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, all the transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and also the details which have been disclosed in the Financial Statements are in accordance with the applicable Indian 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. Hence the reporting requirement of paragraph 3(xiv) of the Order are not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Hence the reporting requirement of paragraph 3(xv) of the Order are not applicable to the Company.

(xvi) According to the information given and as explained to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence the reporting requirement of paragraph 3(xvi) of the Order are not applicable to the Company.

For Manubhai and Shah LLP
Chartered Accountants
Firm's Registration No. 106041W/W100136

(K. C. Patel)
Partner
Membership No. 030083

Place: Ahmedabad
Date: April 20, 2018

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report the members of L&T Interstate Road Corridor Limited of even date)

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

In conjunction with our audit of the Financial Statements of **L&T Interstate Road Corridor Limited** (The Company) as of and for the year ended March 31, 2018, we have also audited the internal financial controls over financial reporting of the Company

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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2018, 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 ICAI.

For Manubhai and Shah LLP
Chartered Accountants
Firm's Registration No. 106041W/W100136

(K. C. Patel)
Partner
Membership No. 030083

Place: Ahmedabad
Date: April 20, 2018

BALANCE SHEET AS AT MARCH 31, 2018

Particulars		Note	March 31, 2018 (₹)	*March 31, 2017 (₹)*
ASSETS				
(1) Non-current assets				
a) Property, Plant and Equipment		1(a)	**1,437,763**	*1,474,787*
b) Financial Assets				
i) Receivable under Service Concession Agreement		1(b)	**2,368,789,803**	*2,964,253,188*
ii) Others		1	**2,459,365**	*2,264,724*
		A	**2,372,686,931**	*2,967,992,699*
Current assets				
a) Financial Assets				
i) Investments		3	**1,508,251,375**	*1,236,780,543*
ii) Cash and bank balances		4	**6,062,533**	*76,737,890*
iii) Others		1	**39,150**	*34,750*
b) Current Tax Assets (Net)		2(a)	**62,188,684**	*49,753,809*
c) Other current assets		2	**7,910,334**	*6,789,224*
		B	**1,584,452,076**	*1,370,096,216*
TOTAL	**A+B**		**3,957,139,007**	*4,338,088,915*
EQUITY AND LIABILITIES				
Equity				
a) Equity Share capital		5	**571,600,000**	*571,600,000*
b) Other Equity		6	**429,460,897**	*475,932,873*
		C	**1,001,060,897**	*1,047,532,873*
Liabilities				
(1) Non-current liabilities				
a) Financial liabilities				
i) Borrowings		7	**2,328,097,872**	*2,670,222,889*
ii) Other financial liabilities		8	**44,500**	*44,500*
b) Provisions		9	**124,158**	*1,217,420*
		D	**2,328,266,530**	*2,671,484,809*
Current liabilities				
a) Financial liabilities				
i) Borrowings		7	**-**	*-*
ii) Trade payables		11	**8,980,916**	*5,321,529*
iii) Other financial liabilities		8	**603,569,366**	*592,784,157*
b) Other current liabilities		10	**14,587,698**	*20,965,547*
c) Provisions		9	**673,600**	*-*
		E	**627,811,580**	*619,071,233*
Total Equity and Liabilities	**C+D+E**		**3,957,139,007**	*4,338,088,915*
Contingent liabilities		F		
Commitments		G		
Other notes forming part of accounts		H		
Significant accounting policies		I		

As per our report attached
For **Manubhai & Shah LLP**
Chartered Accountants
(Firm Reg. No.106041W/W100136)
by the hand of

For and on behalf of the Board

K C PATEL	**NIVEDITHA B.**	**MANOJ SINGH**	**P. G. SURESH KUMAR**	**R.G. RAMACHANDRAN**
Partner	*Company Secretary*	*Chief Financial Officer*	*Director*	*Director*
Membership No.: 30083	*M. No. A40759*		*DIN: 07124883*	*DIN: 02671982*
Place : Ahmedabad	*Place : Chennai*			
Date : April 20, 2018	*Date : April 19, 2018*			

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	**Note**	**2017-18** (₹)	*2016-17* (₹)
REVENUE			
Revenue from Operations	**13**	**268,995,690**	*480,485,252*
Other income	**14**	**91,968,767**	*67,004,872*
Total Revenue		**360,964,457**	*547,490,124*
EXPENSES			
Operating expenses	**15**	**109,518,186**	*96,564,998*
Employee benefit expenses	**16**	**8,509,382**	*7,027,576*
Finance costs	**17**	**261,478,305**	*291,889,620*
Depreciation and amortisation		**37,024**	–
Administration and other expenses	**18**	**25,243,504**	*26,042,065*
Total Expenses		**404,786,401**	*421,524,259*
Profit/(Loss) before tax		**(43,821,944)**	*125,965,865*
Tax expense:			
Current tax		**2,747,927**	*39,234,282*
Profit/(loss) after tax for the year		**(46,569,871)**	*86,731,583*
Prior period adjustments		**–**	–
Profit/(Loss) for the year		**(46,569,871)**	*86,731,583*
Other Comprehensive Income			
Other comprehensive income not to be reclassified to profit or loss in subsequent period			
Remeasurement loss/(gain) on defined benefit plan (Refer note H(3))		**120,940**	*(271,482)*
Income-tax effect		**(23,045)**	–
		97,895	*(271,482)*
Total Comprehensive Income/(Loss) for the year		**(46,471,976)**	*86,460,101*
Earnings/(loss) per equity share (Basic and Diluted)	**H(8)**	**(0.81)**	*1.52*
Face value per equity share		**10.00**	*10.00*

As per our report attached

For **Manubhai & Shah LLP**
Chartered Accountants
(Firm Reg. No.106041W/W100136)
by the hand of

K C PATEL
Partner
Membership No.: 30083
Place : Ahmedabad
Date : April 20, 2018

For and on behalf of the Board

NIVEDITHA B.
Company Secretary
M. No. A40759

MANOJ SINGH
Chief Financial Officer

P. G. SURESH KUMAR
Director
DIN: 07124883

R.G. RAMACHANDRAN
Director
DIN: 02671982

Place : Chennai
Date : April 19, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

S. No.	Particulars	2017-18 (₹)	*2016-17* (₹)
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Comprehensive (loss)/income for the year before taxes	**(43,821,944)**	*125,965,865*
	Adjustments for:		
	Depreciation and amortisation expense	**37,024**	–
	Interest expense	**261,478,305**	*291,889,620*
	Interest income	**(22,039,610)**	*(6,005,914)*
	(Profit) on sale of current investments (net)	**(69,033,116)**	*(58,707,340)*
	Other comprehensive income	**97,895**	*(271,482)*
	Operating profit before working capital changes	**126,718,554**	*352,870,749*
	Adjustments for:		
	Increase / (Decrease) in long term provisions	**(1,093,262)**	*376,866*
	Increase / (Decrease) in short term provisions	**673,600**	–
	Increase / (Decrease) in trade payables	**3,659,387**	*3,176,561*
	Increase / (Decrease) in other current liabilities	**(6,377,849)**	*(297,683)*
	(Increase) / Decrease in long term loans and advances	**595,268,744**	*381,699,581*
	(Increase) / Decrease in short term loans and advances	**(4,400)**	*(34,750)*
	(Increase) / Decrease in other current assets	**(1,121,110)**	*(4,928,893)*
	Interest income received	**22,039,610**	*6,005,914*
	Net cash generated from operating activities before tax	**739,763,274**	*738,868,345*
	Direct taxes paid (net of refunds)	**(15,182,802)**	*(17,085,482)*
	Net Cash generated from Operating Activities	**724,580,472**	*721,782,863*
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Sale of fixed assets	**–**	–
	(Purchase)/Sale of current investments	**(202,437,716)**	*(426,000,001)*
	Net cash (used in) investing activities	**(202,437,716)**	*(426,000,001)*
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of long term borrowings	**(477,500,000)**	*(602,500,000)*
	Interest paid	**(115,318,113)**	*(83,240,305)*
	Net cash (used in) financing activities	**(592,818,113)**	*(685,740,305)*
	Net (decrease) in cash and cash equivalents (A+B+C)	**(70,675,357)**	*(389,957,443)*
	Cash and cash equivalents as at the beginning of the year	**76,737,890**	*466,695,333*
	Cash and cash equivalents as at the end of the year	**6,062,533**	*76,737,890*

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018 (Contd..)

Disclosure as required by Ind AS 7

Reconciliation of liabilities arising from financing activities

Particulars	Opening Balance	Cash Flows	*Non cash changes*	*Closing Balance*
Non Convertible Debentures	**3,263,007,046**	**(592,818,113)**	*261,478,305*	*2,931,667,238*
	3,263,007,046	**(592,818,113)**	*261,478,305*	*2,931,667,238*

Notes:

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

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
Balances with banks:		
– on current account	**3,613,289**	*1,578,185*
– on Fixed Deposits with less than 3 months maturity	**–**	*75,159,705*
Cash in hand and transit	**–**	–
Other Bank Balances	**2,449,244**	
	6,062,533	*76,737,890*

As per our report attached

For **Manubhai & Shah LLP**
Chartered Accountants
(Firm Reg. No.106041W/W100136)
by the hand of

K C PATEL
Partner
Membership No.: 30083
Place : Ahmedabad
Date : April 20, 2018

For and on behalf of the Board

NIVEDITHA B.
Company Secretary
M. No. A40759

MANOJ SINGH
Chief Financial Officer

P. G. SURESH KUMAR
Director
DIN: 07124883

R.G. RAMACHANDRAN
Director
DIN: 02671982

Place : Chennai
Date : April 19, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A EQUITY SHARE CAPITAL

Particulars	Note	No of shares	₹
Balance as at 01 April 2016		**57,160,000**	**571,600,000**
Changes in equity share capital during the year	**5**	**–**	**–**
Balance as at 31 March 2017		**57,160,000**	**571,600,000**
Changes in equity share capital during the year	**5**	**–**	**–**
Balance as at 31 March 2018		**57,160,000**	**571,600,000**

B OTHER EQUITY

Particulars	Debenture Redemption Reserve ₹	Retained earnings ₹	Total ₹
Balance as at 1 April 2016	98,747,396	290,725,376	**389,472,772**
Mezzanine debt received during the year	–	–	**–**
Profit/(Loss) for the year	–	86,731,583	**86,731,583**
Other comprehensive income	–	(271,482)	**(271,482)**
Balance as at 31 March 2017	98,747,396	377,185,477	**475,932,873**
Balance as at 1 April 2017	98,747,396	377,185,477	**475,932,873**
Profit/(Loss) for the year	–	(46,569,871)	**(46,569,871)**
Other comprehensive income	–	97,895	**97,895**
Transferred to Debenture Redemption Reserve	86,460,101	(86,460,101)	**–**
Balance as at 31 March 2018	185,207,497	244,253,400	**429,460,897**

As per our report attached

For **Manubhai & Shah LLP**
Chartered Accountants
(Firm Reg. No.106041W/W100136)
by the hand of

K C PATEL
Partner
Membership No.: 30083
Place : Ahmedabad
Date : April 20, 2018

For and on behalf of the Board

NIVEDITHA B.
Company Secretary
M. No. A40759

MANOJ SINGH
Chief Financial Officer

P. G. SURESH KUMAR
Director
DIN: 07124883

R.G. RAMACHANDRAN
Director
DIN: 02671982

Place : Chennai
Date : April 19, 2018

NOTES FORMING PART OF ACCOUNTS

1A) PROPERTY, PLANT AND EQUIPMENT

Particulars	Cost				Depreciation				Book Value	
	As at April 1, 2017	Additions	Deductions	As at March 31, 2018	As at April 1, 2017	For the year	Deductions	As at March 31, 2018	As at March 31, 2018	As as March 31, 2017
Owned										
Building (Refer note below)	*2,473,000*	–	–	**2,473,000**	*998,213*	**37,024**	–	**1,035,237**	**1,437,763**	*1,474,787*
Total	*2,473,000*	–	–	**2,473,000**	*998,213*	**37,024**	–	**1,035,237**	**1,437,763**	*1,474,787*
Previous year	*2,793,350*	–	*320,350*	*2,473,000*	*1,096,448*	*37,024*	*135,259*	*998,213*	*1,474,787*	

Note: Since this Building is not a project asset, so it has been reclassified from Financial Asset to Property, Plant and Equipment from financial year 2017-18.

1) OTHER FINANCIAL ASSETS

Particulars	March 31, 2018			March 31, 2017		
	Current ₹	Non-current ₹	Total ₹	Current ₹	Non-current ₹	Total ₹
a) Security deposits						
Unsecured, considered good	**39,150**	**2,319,693**	**2,358,843**	*34,750*	*2,264,724*	*2,299,474*
b) Fixed Deposits						
Fixed Deposits Maturing after one year	–	**139,672**	**139,672**	–	–	–
	39,150	**2,459,365**	**2,498,515**	*34,750*	*2,264,724*	*2,299,474*

1(B) RECEIVABLE UNDER SERVICE CONCESSION AGREEMENT

Particulars	March 31, 2018			March 31, 2017		
	Current ₹	Non-current ₹	Total ₹	Current ₹	Non-current ₹	Total ₹
(a) Receivable under service concession agreement	–	**2,368,789,803**	**2,368,789,803**	–	*2,964,253,188*	*2,964,253,188*
	–	**2,368,789,803**	**2,368,789,803**	–	*2,964,253,188*	*2,964,253,188*

2) OTHER ASSETS

Particulars	March 31, 2018			*March 31, 2017*		
	Current ₹	Non-current ₹	Total ₹	*Current* ₹	*Non-current* ₹	*Total* ₹
Advances other than capital advances						
Other advances	**6,834,320**	–	**6,834,320**	*5,467,413*	–	*5,467,413*
Advance recoverable other than in cash						
Prepaid Insurance	**880,442**	–	**880,442**	*971,877*	–	*971,877*
Prepaid expenses	**96,556**	–	**96,556**	*250,918*	–	*250,918*
VAT recoverable	**99,016**	–	**99,016**	*99,016*	–	*99,016*
	7,910,334	–	**7,910,334**	*6,789,224*	–	*6,789,224*

NOTES FORMING PART OF ACCOUNTS (Contd..)

2(A) CURRENT TAX ASSETS

Particulars	March 31, 2018			*March 31, 2017*		
	Current	**Non-current**	**Total**	*Current*	*Non-current*	*Total*
	₹	₹	₹	₹	₹	₹
Income tax net of previous year provisions ₹ 11,88,66,418 for PY ₹ 11,73,39,066	**62,188,684**	**–**	**62,188,684**	*49,753,809*	*–*	*49,753,809*
	62,188,684	**–**	**62,188,684**	*49,753,809*	*–*	*49,753,809*

3) INVESTMENTS

Investments in Mutual Funds

Particulars	As at March 31, 2018	*As at March 31, 2017*
Quoted		
Investments in Mutual Funds	**1,508,251,375**	*1,236,780,543*
	1,508,251,375	*1,236,780,543*
Aggregate amount of quoted Investments	**1,508,251,375**	*1,236,780,543*

Fair value disclosures for financial assets are given in Note H(19)

The balances held in liquid mutual funds as at March 31, 2018 and as at March 31, 2017 are as follows:

Particulars	Units	₹
As at March 31, 2018		
IDFC Cash Fund Growth - Regular Plan	**179,251**	**377,040,891**
HDFC Liquid Fund - Regular Plan - Growth	**110,541**	**377,005,581**
ICICI Prudential Liquid Plan - Growth	**1,470,962**	**377,137,368**
Reliance Liquidity Fund - Growth Plan	**89,305**	**377,067,535**
	1,850,059	**1,508,251,375**
As at March 31, 2017		
Birla Sun Life Cash Plus -Growth - Regular Plan	*79,631*	*20,744,833*
IDFC Cash Fund Growth - Regular Plan	*72,268*	*142,435,239*
HDFC Cash Management Fund- Savings Plan -Regular Plan- Growth	*38,283*	*129,366,849*
HDFC Liquid Fund - Regular Plan- Growth	*18,992*	*60,766,828*
TATA Liquid Fund Regular Plan - Growth	*27,918*	*83,471,379*
SBI Premier Liquid Fund - Regular Plan - Growth	*44,886*	*114,265,442*
ICICI Prudential Liquid Plan -Growth	*674,170*	*161,906,244*
Reliance Liquidity Fund - Growth Plan	*73,182*	*178,722,881*
Religare Invesco Liquid Fund Growth Plan	*96,953*	*216,438,102*
Kotak Liquid Regular Plan Growth	*29,803*	*98,071,209*
L&T Liquid Fund Regular Growth	*13,750*	*30,591,536*
	1,090,205	*1,236,780,543*

NOTES FORMING PART OF ACCOUNTS (Contd..)

4) Cash and cash equivalents

Particulars	As at March 31, 2018 ₹	*As at March 31, 2017 ₹*
Balances with banks		
a) Balances with banks	**3,613,289**	*1,578,185*
b) Fixed deposits with banks including interest accrued thereon	**–**	*75,159,705*
Other bank balances		
a) In deposit accounts with maturity more than three months (including interest accrued thereon)"	**2,304,451**	–
b) Margin money deposit against bank guarantees issued (including interest accrued thereon)"	**144,793**	–
	6,062,533	*76,737,890*

5 SHARE CAPITAL

Particulars	As at March 31, 2018 No. of shares	As at March 31, 2018 ₹	*As at March 31, 2017 No. of shares*	*As at March 31, 2017 ₹*
(i) Authorised, issued, subscribed and paid up				
Authorised:				
Equity shares of ₹ 10 each	**58,000,000**	**580,000,000**	*58,000,000*	*580,000,000*
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	**57,160,000**	**571,600,000**	*57,160,000*	*571,600,000*
(ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:				
At the beginning of the year	**57,160,000**	**571,600,000**	*57,160,000*	*571,600,000*
Issued during the year as fully paid	**–**	**–**	–	
Others	**–**	**–**	–	–
At the end of the year	**57,160,000**	**571,600,000**	*57,160,000*	*571,600,000*

(iii) Terms / rights attached to shares

Equity shares

The Company has only one class of equity share having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

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

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

No dividend is declared by Board of Directors for the year ended 31st March , 2018. (Previous year - ₹ Nil)

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

Particulars	As at March 31, 2018 No. of shares	As at March 31, 2018 ₹	*As at March 31, 2017 No. of shares*	*As at March 31, 2017 ₹*
L&T Infrastructure Development Projects Limited (including nominee holding)	**57,159,998**	**571,599,980**	*57,159,998*	*571,599,980*
	57,159,998	**571,599,980**	*57,159,998*	*571,599,980*

NOTES FORMING PART OF ACCOUNTS (Contd..)

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

Particulars	As at March 31, 2018		*As at March 31, 2017*	
	No. of shares	%	*No. of shares*	*%*
L&T Infrastructure Development Projects Limited (including nominee holding)	**57,159,998**	**99.99**	*57,159,998*	*99.99*

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

(vii) Calls unpaid : Nil; **Forfeited Shares :** Nil

6 OTHER EQUITY AS ON 31.03.2018

Particulars	Reserves & Surplus		
	Debenture Redemption Reserve	Retained earnings	Total
Balance at the beginning of the reporting period	**98,747,396**	**377,185,477**	**475,932,873**
Loss for the year	**–**	**(46,569,871)**	**(46,569,871)**
Other comprehensive income	**–**	**97,895**	**97,895**
Transfer from / (to) debenture redemption reserve	**86,460,101**	**(86,460,101)**	**–**
Balance at the end of the reporting period	**185,207,497**	**244,253,400**	**429,460,897**

Other Equity as on 31.03.2017

Particulars	Reserves & Surplus		
	Debenture Redemption Reserve	Retained earnings	Total
Balance at the beginning of the reporting period	*98,747,396*	*290,725,376*	*389,472,772*
Profit for the year	–	*86,731,583*	*86,731,583*
Other comprehensive income	–	*(271,482)*	*(271,482)*
Balance at the end of the reporting period	*98,747,396*	*377,185,477*	*475,932,873*

7 BORROWINGS

Particulars	As at March 31, 2018			*As at March 31, 2017*		
	Current ₹	Non current ₹	Total ₹	*Current ₹*	*Non current ₹*	*Total ₹*
Secured borrowings						
a) Debentures	**–**	**2,328,097,872**	**2,328,097,872**	–	*2,670,222,889*	*2,670,222,889*
	–	**2,328,097,872**	**2,328,097,872**	–	*2,670,222,889*	*2,670,222,889*

7(i) Details of Non convertible Debentures

Particulars	Rate of Interest As at March 31, 2018	Terms of Repayment
Non Convertible Debentures	9.098% per annum - Coupon payable on maturity	Units of Secured Redeemable Debentures are redeemable in 18 unequal installment from April 2015 to October 2023 at specified amounts.

7(ii) Nature of Security

Non-Convertible Debentures are secured by a)first charge over land and flat in Pune; b)first charge over hypothecated assets; c)all rights, title, interest and benefit in all moveable property excluding project assets; d)all rights, title, interest, benefits, claims, demands in all Project Documents; e)all rights, title, interest, benefits, claims, demands in all bank accounts; f)all rights, title, interest, benefits, claims, demands in all

NOTES FORMING PART OF ACCOUNTS (Contd..)

receivables; g)all rights, title, interest, benefits, claims, demands in accordance with the Substitution agreement ; h) a Promoter's undertaking as per the trust deed.

7(iii) Presentation of Long Term Borrowings in the Balance sheet is as follows

Particulars	**As at March 31, 2018**	*As at March 31, 2017*
Non Convertible Debentures	**2,328,097,872**	*2,670,222,889*
Current Maturity of Non Convertible Debentures	**603,569,366**	*592,784,157*
	2,931,667,238	*3,263,007,046*

8 OTHER FINANCIAL LIABILITIES

Particulars	**As at March 31, 2018**			*As at March 31, 2017*		
	Current ₹	**Non current** ₹	**Total** ₹	*Current* ₹	*Non current* ₹	*Total* ₹
a) Deposits received	**–**	**44,500**	**44,500**	–	*44,500*	*44,500*
b) Current Maturity of Non Convertible Debentures	**603,569,366**	**–**	**603,569,366**	*592,784,157*	–	*592,784,157*
	603,569,366	**44,500**	**603,613,866**	*592,784,157*	*44,500*	*592,828,657*

9 PROVISIONS

Particulars	**As at March 31, 2018**			*As at March 31, 2017*		
	Current ₹	**Non current** ₹	**Total** ₹	*Current* ₹	*Non current* ₹	*Total* ₹
Provision for employee benefits (Refer Note H(3))	**673,600**	**124,158**	**797,758**	–	*1,217,420*	*1,217,420*
	673,600	**124,158**	**797,758**	–	*1,217,420*	*1,217,420*

10 OTHER LIABILITIES

Particulars	**As at March 31, 2018**			*As at March 31, 2017*		
	Current ₹	**Non current** ₹	**Total** ₹	*Current* ₹	*Non current* ₹	*Total* ₹
i) Statutory dues payables	**1,061,820**	**–**	**1,061,820**	*1,614,993*	–	*1,614,993*
ii) Other liabilities	**13,525,878**	**–**	**13,525,878**	*19,350,554*	–	*19,350,554*
	14,587,698	**–**	**14,587,698**	*20,965,547*	–	*20,965,547*

11 TRADE PAYABLES

Particulars	**2017-18** ₹	*2016-17* ₹
Due to Micro Small and Medium Enterprise	**–**	–
Due to others		
Due to related parties (Refer note H(6))	**5,045,589**	*1,883,651*
Other Liabilities	**3,935,327**	*3,437,879*
	8,980,916	*5,321,530*

F Contingent Liabilities

The Company does not have any Contingent liability as at March 31,2018. (previous year - ₹ Nil).

G Commitments

Commitments as at March 31, 2018 ₹ Nil (previous year: ₹ Nil).

NOTES FORMING PART OF ACCOUNTS (Contd..)

13 REVENUE FROM OPERATIONS

Particulars	2017-18 ₹	2017-18 ₹	2016-17 ₹	2016-17 ₹
Operating revenue:				
Finance income	150,499,296		349,147,682	
Revenue towards operation and maintenance	118,496,394		131,337,570	
		268,995,690		480,485,252
		268,995,690		480,485,252

14 OTHER INCOME

Particulars	2017-18 ₹	2017-18 ₹	2016-17 ₹	2016-17 ₹
Interest income on:				
Bank deposits	173,342		6,005,914	
Income tax refund	21,866,268		–	
		22,039,610		6,005,914
Net gain on financial instruments designated at FVTPL		69,033,116		58,707,340
Lease receivable		170,400		158,470
Profit on disposal of miscellaneous assets		184,349		–
Insurance claim received		541,292		2,133,148
		91,968,767		67,004,872

15 OPERATING EXPENSES

Particulars	2017-18 ₹	2017-18 ₹	2016-17 ₹	2016-17 ₹
Toll Management fees		24,902,537		22,116,735
Security services		3,445,692		2,690,725
Insurance Premium		2,726,252		2,851,728
Concession fee		1		1
Repairs and maintenance to				
Toll road & bridge	41,303,655		29,891,477	
Plant and machinery	3,111,868		5,662,411	
Other Assets	8,430,826		9,933,946	
		52,846,349		45,487,834
Professional fees		9,120,249		7,938,281
Power and fuel		16,477,106		15,479,694
		109,518,186		96,564,998

16 EMPLOYEE BENEFIT EXPENSES

Particulars	2017-18 ₹	2017-18 ₹	2016-17 ₹	2016-17 ₹
Salaries, wages and bonus		6,912,315		4,613,312
Contributions to funds:				
Contributions to Provident fund	351,786		233,745	
Gratuity fund	11,650		64,544	
Other employee benefits	528,192		1,666,786	
		891,628		1,965,075
Staff welfare expenses		705,439		449,189
		8,509,382		7,027,576

NOTES FORMING PART OF ACCOUNTS (Contd..)

17 FINANCE COSTS

Particulars	2017-18 ₹	2016-17 ₹
Interest on Non Convertible Debenture	**259,637,755**	*289,826,186*
Unwinding of discount and implicit interest expense on fair value	**1,840,550**	*2,063,434*
	261,478,305	*291,889,620*

18 ADMINISTRATION AND OTHER EXPENSES

Particulars	2017-18 ₹	2016-17 ₹
Rent, Rates and taxes	**421,997**	*253,345*
Professional fees	**17,970,578**	*19,475,095*
Payment to auditor	**467,687**	*749,558*
Director sitting fees	**373,280**	*482,650*
Postage and communication	**1,000,162**	*962,618*
Printing and stationery	**164,462**	*188,478*
Travelling and conveyance	**2,880,818**	*2,307,451*
Insurance Expenses	**6,254**	*3,435*
Repairs and Maintenance - Other Assets	**1,436,450**	*1,145,439*
Loss on sale of Property Plant and Equipment	**–**	*20,449*
Miscellaneous expenses	**521,816**	*453,547*
	25,243,504	*26,042,065*

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

Particulars	2017-18 ₹	2016-17 ₹
a) As auditor	**385,560**	*278,300*
b) For taxation matters	**73,750**	*63,250*
c) For other services	**8,377**	*408,008*
Total	**467,687**	*749,558*

H) NOTES FORMING PART OF ACCOUNTS

1) Corporate Information

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

2) During the year, the company has incurred ₹ 12,71,263/- (*previous year:* ₹ *9,41,400*/-) towards maintenance of toll equipments. Interest expense in foreign currency during the year ₹ Nil (*previous year:* ₹ *Nil*)

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

(i) Defined contribution plan:

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

NOTES FORMING PART OF ACCOUNTS (Contd..)

An amount of ₹ 3,51,786 (previous year : ₹ 2,33,745) 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:

Gratuity:

a) The Company operates gratuity plan through LIC's Group Gratuity scheme where every employee is entitled 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 ₹ 20,00,000 was applied
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58 years

Leave Encashment:

The Company provides Leave Encashment facility to all confirmed staff. The same is cover by a policy with LIC of India. The staff is entitled for 30 days leave for every 11 months of completed service. The staff is entitled to accumulate to a maximum of 300 days over their service. The provision in the financials has been considered accordingly.

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	33
Retirement Age	58 Years

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

iv) Risk to the Plan

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

Changes in Inter-Valuation Period:

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

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

Major Risk to the Plan:

A Actuarial Risk:

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

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

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

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

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

NOTES FORMING PART OF ACCOUNTS (Contd..)

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, 2018	*As at March 31, 2017*	**As at March 31, 2018**	*As at March 31, 2017*
	₹	₹	₹	₹
Present value of defined benefit obligation				
– Wholly funded	**677,344**	*718,697*	**481,277**	–
– Wholly unfunded	**–**	–	**–**	*688,199*
	677,344	*718,697*	**481,277**	*688,199*
Less : Fair value of plan assets	**1,197,102**	*1,064,993*	**752,896**	–
Net Liability / (asset)	**(519,758)**	*(346,296)*	**(271,619)**	*688,199*

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

Particulars	**Gratuity plan**		**Compensated absences**	
	As at March 31, 2018	*As at March 31, 2017*	**As at March 31, 2018**	*As at March 31, 2017*
	₹	₹	₹	₹
Current service cost	**117,525**	*73,049*	**84,379**	*60,595*
Interest on Defined benefit obligation	**(28,152)**	*(8,505)*	**22,163**	*24,620*
Net value of remeasurements on the obligation and plan assets	**(172,432)**	*447,966*		
Past service cost and loss/(gain) on curtailments and settlement	**–**	–	**–**	*(91,634)*
Total Charge to Statement of Profit and Loss	**89,373**	*64,544*	**(65,890)**	*441,547*

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, 2018 ₹	*As at March 31, 2017* ₹	**As at March 31, 2018** ₹	*As at March 31, 2017* ₹
Components of actuarial gain/losses on obligations:	**–**	*–*	**–**	*–*
From changes in demographic assumptions	**–**	*–*	**–**	*–*
From changes in financial assumptions	**(12,612)**	*31,896*	**–**	*–*
From changes in experience	**(102,402)**	*228,588*	**–**	*–*
Past service cost	**–**	*–*	**–**	*–*
Actuarial gain/(loss) not recognised in books	**–**	*–*	**–**	*–*
Return on plan assets excluding amounts included in interest income	**(5,926)**	*10,998*	**–**	*–*
Amounts recognized in Other Comprehensive Income	**(120,940)**	*271,482*	**–**	*–*

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**		**Compensated absences**	
	As at March 31, 2018 ₹	*As at March 31, 2017* ₹	**As at March 31, 2018** ₹	*As at March 31, 2017* ₹
Opening balance of the present value of defined benefit obligation	**718,697**	*409,568*	**688,199**	*338,583*
Add: Current service cost	**117,525**	*73,049*	**84,379**	*60,595*
Add: Interest cost	**47,754**	*30,274*	**45,947**	*24,620*
Add: Contribution by plan participants				
i) Employer	**–**	*–*	**–**	*–*
ii) Employee	**–**	*–*	**–**	*–*
Add/(lss): Actuarial losses/(gains)	**(115,014)**	*260,484*	**(181,910)**	*447,966*
Less: Benefits paid	**(91,618)**	*(54,678)*	**(155,338)**	*(91,931)*
Add: Past service cost	**–**	*–*	**–**	*(91,634)*
Closing balance of the present value of defined benefit obligation	**677,344**	*718,697*	**481,277**	*688,199*

g) Reconciliation of Plan Assets:

Particulars	**Gratuity plan**		**Compensated absences**	
	As at March 31, 2018 ₹	*As at March 31, 2017* ₹	**As at March 31, 2018** ₹	*As at March 31, 2017* ₹
Interest Income	**1,064,993**	*38,779*	**23,784**	*–*
Return on plan assets excluding amounts included in interest income	**81,832**	*(10,998)*	**(9,478)**	*–*
Contributions by employer	**141,895**	*1,037,212*	**738,590**	*–*
Benefits paid	**(91,618)**			
Closing value of plan assets	**1,197,102**	*1,064,993*	**752,896**	*–*

NOTES FORMING PART OF ACCOUNTS (Contd..)

h) Reconciliation of Net Defined Benefit Liability:

Particulars	Gratuity plan		Compensated absences	
	As at March 31, 2018	*As at March 31, 2017*	**As at March 31, 2018**	*As at March 31, 2017*
	₹	₹	₹	₹
Net opening provision in books of accounts	**(346,296)**	*409,568*	**688,199**	*338,583*
Employee Benefit Expense	**89,373**	*64,544*	**(65,890)**	*441,547*
Amounts recognized in Other Comprehensive Income	**(120,940)**	*271,482*	**–**	
	(377,863)	*745,594*	**622,309**	*780,130*
Benefits paid by the Company	**–**	*(54,678)*	**(155,338)**	*(91,931)*
Contributions to plan assets	**(141,895)**	*(1,037,212)*	**(738,590)**	*–*
Closing provision in books of accounts	**(519,758)**	*(346,296)*	**(271,619)**	*688,199*

Particulars	As a March 31, 2018	As at March 31, 2017
	₹	₹
Discount rate	**7.30%**	*6.95%*
Salary growth rate	**6.00%**	*6.00%*
Attrition rate	**15% at younger ages reducing to 3% at older ages**	*15% at younger ages reducing to 3% at older ages*

i) A quantitative sensitivity analysis for significant assumption as at 31 March 2018

Particulars	Change in Assumptions	Gratuity plan		Compensated absences	
	Increase/ (Decrease)	Increase/(Decrease) in Assumptions		Increase/(Decrease) in Assumptions	
	%	₹	%	₹	%
Discount Rate	**0.50%**	**660,169**	**(2.54%)**	**471,159**	**(2.10%)**
	(0.50%)	**695,518**	**2.68%**	**491,944**	**2.22%**
Salary Growth Rate	**0.50%**	**695,658**	**2.70%**	**492,028**	**2.23%**
	(0.50%)	**659,886**	**(2.58%)**	**470,992**	**(2.14%)**

j) Maturity profile of defined benefit obligation

Particulars	Gratuity	Leave Encashment
	₹	₹
within 1 year	**61,299**	**44,897**
1-2 years	**49,318**	**33,611**
2-3 years	**378,656**	**345,161**
3-4 years	**30,703**	**17,427**
4-5 years	**32,032**	**16,505**
6-10 years	**196,948**	**74,397**

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

Particulars	Gratuity plan	As at March 31, 2018	*As at March 31, 2017*
	₹	₹	₹
Insurer managed funds	**100%**	**1,197,102**	*1,064,993*
Total	**100%**	**1,197,102**	*1,064,993*

NOTES FORMING PART OF ACCOUNTS (Contd..)

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.

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

a) List of related parties

Ultimate Holding Company	:	Larsen & Toubro Limited
Holding Company	:	L&T Infrastructure Development Projects Limited
Fellow Subsidiaries	:	L&T BPP Tollway Limited Ahmedabad Maliya Tollway Limited Vadodara Bharuch Tollway Limited L&T Chennai Tada Tollway Limited PNG Tollway Limited L&T Halol Shamlaji Tollway Limited L&T Rajkot Wadinar Tollway Limited L&T Western India Tollbridge Limited
Key Managerial Personnel	:	Mr. Naveen Chandra Joshi

b) Disclosure of related party transactions:

Particulars	**2017-18** ₹	*2016-17* ₹
Nature of transaction		
1. Purchase of goods and services incl. taxes		
Larsen & Toubro Limited	**2,790,875**	*1,769,028*
Holding company L&T Infrastructure Development Projects Limited	**24,730,917**	*27,525,766*
	27,521,792	*29,294,794*
2. Sale of assets		
L&T Infrastructure Development Projects Limited	**–**	*1*
Fellow subsidiaries :		
Vadodara Bharuch Tollway Limited	**53,920**	*–*
	53,920	*1*
3. Purchase of assets		
Fellow subsidiaries :		
L&T BPP Tollway Limited	**236,855**	*51,005*
Vadodara Bharuch Tollway Limited	**1**	*–*
L&T Chennai Tada Tollway Limited	**–**	*579,943*
PNG Tollway Limited	**–**	*8,335*
L&T Halol Shamlaji Tollway Limited	**–**	*560,986*
	236,856	*1,200,269*

NOTES FORMING PART OF ACCOUNTS (Contd..)

Particulars	2017-18 ₹	2016-17 ₹
4. Reimbursement of expenses charged to Fellow subsidiaries :		
L&T Rajkot Vadinar Tollway Limited	–	1,000
Vadodara Bharuch Tollway Limited	107,520	–
L&T Western India Tollbridge Ltd	–	487,124
	107,520	488,124
5. Reimbursement of expenses charged from Fellow subsidiaries :		
Ahmedabad Maliya Tollway Limited	–	11,000
L&T Chennai Tada Tollway Limited	–	55,991
	–	66,991
6. Salary and Perquisites to KMP		
Manager: Mr. Naveen Chandra Joshi	2,974,400	703,866
	2,974,400	703,866

c) Amount due to related parties (net):

Particulars	Amounts due to	
	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Ultimate Holding Company		
Larsen & Toubro Limited	3,631,874	1,247,717
Holding Company		
L&T Infrastructure Development Projects Limited	777,781	–
Fellow Subsidiaries		
L&T Chennai-Tada Tollway Limited	635,934	635,934

d) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, the company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: INR Nil, 1 April 2016: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

f) Compensation of Key Management personnel of the group

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Short term employee benefits	2,974,400	703,866

NOTES FORMING PART OF ACCOUNTS (Contd..)

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

The major components of income tax expense for years ended 31 March 2018 and 31 March 2017 are:

Particulars	**As at March 31, 2018** ₹	*As at March 31, 2017* ₹
Profit and loss section:		
Current tax :		
Current income tax charge	**2,747,927**	*39,234,282*
Effect of prior period adjustments		
Deferred tax :		
Relating to origination and reversal of temporary differences	**–**	–
Effect on deferred tax balances due to change in income tax rate	**–**	–
Effect of previously unrecognised tax losses and tax offsets used during the current year to reduce deferred tax expense	**–**	–
Income tax reported in the statement of profit and loss	**2,747,927**	*39,234,282*
Current Tax & Deferred Tax - Equity		
Deferred Tax on Transition Adjustments	**–**	–
	2,747,927	*39,234,282*

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

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

Particulars		**2017-18** ₹	*2016-17* ₹
Basic earnings per equity share:			
Profit/(loss) for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	**(46,569,871)**	*86,731,583*
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	**57,160,000**	*57,160,000*
Basic earnings/(loss) per equity share (₹)	A / B	**(0.81)**	*1.52*
Profit/(loss) for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	**(46,569,871)**	*86,731,583*
Add : Interest on convertibles (net of tax)	B		
Profit for the year attributable to owners of the Company for the calculating of diluted earnings per share (₹)	C = A+B	**(46,569,871)**	*86,731,583*
Weighted average number of equity shares outstanding for calculating basic earnings per share	D	**57,160,000**	*57,160,000*
Add : Shares deemed to be issued for no consideration in respect of :	E	**–**	–
Compulsorily convertible preference share capital	F	**–**	–
Compulsorily convertible debentures	G		
Weighted average number of equity shares outstanding for calculating diluted earnings per share	H = D + E	**57,160,000**	*57,160,000*
Diluted earnings/(loss) per equity share (₹)		**(0.81)**	*1.52*
Face value per equity share (₹)		**10.00**	*10.00*

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

Based on a review of the future discounted cash flows of the project facility, the recoverable amount is lower than the carrying amount due to changes in the estimates of future cash outflow relating to the restructuring obligation. The resultant effect amounting to ₹ 9.16 crores is netted off against finance income.

10) 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.

NOTES FORMING PART OF ACCOUNTS (Contd..)

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

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

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

11.1 Description and classification of the arrangement

L&T Interstate Road Corridor Ltd is a Special Purpose Vehicle (SPV) incorporated on 2nd February, 2006 The Company has been awarded a contract on Build Operate and Transfer (BOT) Annuity basis to widen the existing two-lane seventy six kilometer stretch from KM 601.000 to 677.000 of National Highway No. 27 Section of National Highway No.14) in the State of Gujarat and Rajasthan and operation and maintenance thereof, under the Concession Agreement dated 28th March, 2006 with National Highways Authority of India (NHAI).

11.2 Significant Terms of the Arrangements

(a) Annuity

The Authority shall be liable to pay Annuity to Concessionaire upon achieving COD for the Project Highway and in consideration of the Concessionaire accepting the Concession and undertaking to perform and discharge its obligations in accordance with the terms and conditions as set forth in the agreement. For each Annuity Payment period, a sum of ₹ 43.21 crores shall be payable Gross of tax biannually

(b) Payment of Annuity

The number of such Annuity payments shall not exceed 2 per year and such annuity payment shall not exceed 12 over the remaining Concession Period.

(c) Rights of the Company to use Project Highway

Right of Way, access and licence to the Site.

(d) Obligation of the Concessionaire

The company shall not assign, transfer or sublet or create any lien or Encumbrance on the SCA, or the Concession granted or on the whole or any part of the Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by SCA or the Substitution Agreement. The project highway means site comprising the existing two-lane seventy six kilometer stretch from KM 601.000 to 677.000 of National Highway No. 27 and all Project asset, and its subsequent development and augmetation in accordance with the SCA.

The company is under obligation to carry out the routine and periodic maintenance of Project Highway as per Schedule L Article 2.6.1 of the SCA.

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

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

(f) Details of Termination

SCA can be terminated on account of default of the company or NHAI in the circumstances as specified under Article 32.1 of the SCA.

(g) Changes in SCA

There has been no change in the concession arrangement during the year.

17) Financial Instruments

Disclosure of Financial Instruments by Category

Financial instruments by categories	Note no.	31.03.2018			31.03.2017		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
		₹	₹	₹	₹	₹	₹
Financial asset							
Security Deposits	**1**	**–**	**–**	**2,358,843**	–	–	*2,299,474*
Fixed Deposits	**1**	**–**	**–**	**139,672**	–	–	–
Investments	**3**	**1,508,251,375**	**–**	**–**	*1,236,780,543*	–	–
Other Financial Asset	**1**	**–**	**–**	**2,368,789,803**	–	*2,964,253,188*	
Cash and Bank Balances	**4**	**–**	**–**	**6,062,533**	–	–	*76,737,890*
Total Financial Asset		**1,508,251,375**	**–**	**2,377,350,851**	*1,236,780,543*	–	*3,043,290,552*

NOTES FORMING PART OF ACCOUNTS (Contd..)

Financial instruments by categories	Note no.	31.03.2018			31.03.2017		
		FVTPL ₹	FVTOCI ₹	Amortized cost ₹	FVTPL ₹	FVTOCI ₹	Amortized cost ₹
Financial liability							
Non Convertible Debentures	7&8	–	–	**2,931,667,238**	–	–	*3,263,007,046*
Other Financial Liabilities	8	–	–	**44,500**	–	–	*44,500*
Trade Payables	11	–	–	**8,980,916**	–	–	*5,321,530*
Total Financial Liabilities		–	–	**2,940,692,654**	–	–	*3,268,373,076*

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.

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

Particular	Note no.	31.03.2018		31.03.2017	
		Carrying amount ₹	Fair value ₹	Carrying amount ₹	Fair value ₹
Financial Assets					
Security Deposits	1	**2,358,843**	**2,358,843**	*2,299,474*	*2,299,474*
Fixed Deposits	1	**139,672**	**139,672**	–	–
Other Financial Asset	1	**2,368,789,803**	**2,368,789,803**	*2,964,253,188*	*2,964,253,188*
Cash and Bank Balances	4	**6,062,533**	**6,062,533**	*76,737,890*	*76,737,890*
Total Financial Assets		**2,377,350,851**	**2,377,350,851**	*3,043,290,552*	*3,043,290,552*
Financial liability					
Non Convertible Debentures	7&8	**2,931,667,238**	**2,931,667,238**	*3,263,007,046*	*3,263,007,046*
Other Financial Liabilities	8	**44,500**	**44,500**	*44,500*	*44,500*
Trade Payables	11	**8,980,916**	**8,980,916**	*5,321,530*	*5,321,530*
Total Financial Liabilities		**2,940,692,654**	**2,940,692,654**	*3,268,373,076*	*3,268,373,076*

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 Non Convertible Debentures approximate fair value as the instruments are at prevailing market rate.

19) Fair Value Measurement of Financial asset and Financial liabilities

Fair value hierarchy

As at March 31, 2018

Financial Asset & Liabilities Measured at FV – Recurring FVM	Note No.	Level 1 ₹	Level 2 ₹	Level 3 ₹	Total ₹
Financial asset measured at FVTPL					
Investments in Mutual Funds	3	**1,508,251,375**	–	–	**1,508,251,375**
Total of Financial Assets		**1,508,251,375**	–	–	**1,508,251,375**
Financial Liabilities measured at FVTPL		–	–	–	–
Total of Financial Liabilities		–	–	–	–

NOTES FORMING PART OF ACCOUNTS (Contd..)

Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed	**Note No.**	**Level 1** ₹	**Level 2** ₹	**Level 3** ₹	**Total** ₹
Financial Assets					
Security Deposits	**1**	**–**	**2,358,843**	**–**	**2,358,843**
Fixed Deposits	**1**	**–**	**139,672**	**–**	**139,672**
Other Financial Asset	**1**	**–**	**–**	**2,368,789,803**	**2,368,789,803**
Cash and Bank Balances	**4**	**–**	**6,062,533**	**–**	**6,062,533**
Total of Financial Assets		**–**	**8,561,048**	**2,368,789,803**	**2,377,350,851**
Financial Liabilities					
Non Convertible Debentures	**7&8**	**–**	**2,931,667,238**	**–**	**2,931,667,238**
Other Financial Liabilities	**8**	**–**	**–**	**44,500**	**44,500**
Trade Payables	**11**	**–**	**–**	**8,980,916**	**8,980,916**
Total Financial liabilities		**–**	**2,931,667,238**	**9,025,416**	**2,940,692,654**

As at March 31, 2017

Financial Asset & Liabilities Measured at FV - Recurring FVM	**Note No.**	**Level 1** ₹	**Level 2** ₹	**Level 3** ₹	**Total** ₹
Financial asset measured at FVTPL					
Investments in Mutual Funds	**3**	*1,236,780,543*	*–*	*–*	*1,236,780,543*
Total of Financial Assets		*1,236,780,543*	*–*	*–*	*1,236,780,543*

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	**1**	*–*	*2,299,474*	*–*	*2,299,474*
Other Financial Asset	**1**	*–*		*2,964,253,188*	*2,964,253,188*
Cash and Bank Balances	**4**		*76,737,890*		*76,737,890*
Total Financial Assets		*–*	*79,037,364*	*2,964,253,188*	*3,043,290,552*
Financial Liabilities					
Non Convertible Debentures	**7&8**	*–*	*3,263,007,046*	*–*	*3,263,007,046*
Other Financial Liabilities	**8**			*44,500*	*44,500*
Trade Payables	**11**			*5,321,530*	*5,321,530*
Total Financial Liabilities		*–*	*3,263,007,046*	*5,366,030*	*3,268,373,076*

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 Deposits	Income	Cash flow
Fixed Deposits	Income	Cash flow
Other Financial Asset	Income	Cash flow
Financial liabilities		
Non Convertible Debentures	Income	Current Rate of Debentures
Other Financial Liabilities	Income	Cash flow
Trade Payables	Income	Cash flow

NOTES FORMING PART OF ACCOUNTS (Contd..)

20) Financial Risk Management

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

Market risk

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

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 Non Convertible Debentures with variable rates. The company measures risk through sensitivity analysis.

Currently, Non Convertible Debentures is at Fixed rate linked to Credit Rating of the project. Any changes shall have an impact on the rates.

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

Particulars	**31.03.2018**	*31.03.2017*	*31.03.2016*
Non Convertible Debentures	**2,224,000,000**	*2,701,500,000*	*3,304,000,000*

Sensitivity analysis based on average outstanding Non Convertible Debentures

Interest Rate Risk Analysis	**Impact on profit / loss after tax**	
	FY 2017-18	*FY 2016-17*
Increase or decrease in interest rate by 25 basis point	**6,156,875**	*7,506,875*

Note: Impact on Profit will be negative if Interest rate increases or vice versa.

iii Price risk

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

The company measures risk through sensitivity analysis.

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

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

Particulars	**Note No.**	**31.03.2018**	*31.03.2017*
Investments in Mutual Funds	**3**	**1,508,251,375**	*1,236,780,543*

Sensitivity Analysis	**Impact on profit/ loss after tax**	
	31.03.2018	*31.03.2017*
Increase or decrease in NAV by 2%	**30,165,028**	*24,735,611*

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

NOTES FORMING PART OF ACCOUNTS (Contd..)

iv Liquidity risk

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

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

The company measures risk by forecasting cash flows.

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

The following are the contractual maturities of financial liabilities

As at March 31, 2018	**Carrying Amount**	**upto 1 year**	**1 - 2 years**	**2 - 5 years**	*> 5 years*
Non Derivative Financial Liability					
Non Convertable Debentures	**2,224,000,000**	**445,000,000**	**446,500,000**	**1,106,500,000**	**226,000,000**
Trade Payables	**8,980,916**	**8,980,916**	**–**	**–**	**–**
Derivative Financial Liability	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
As at March 31, 2017	**Carrying Amount**	**upto 1 year**	**1 – 2 years**	**2 – 5 years**	*> 5 years*
Non Derivative Financial Liability					
Non Convertable Debentures	*2,701,500,000*	*477,500,000*	*445,000,000*	*1,243,500,000*	*535,500,000*
Trade Payables	*5,321,530*	*5,321,530*	–	–	–
Derivative Financial Liability	*NIL*	*NIL*	*NIL*	*NIL*	*NIL*

v Credit risk

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

The Company is exposed to credit risk from its Financing activities, primarily annuity receivables from NHAI, including deposits with banks and Security deposits.

21 Previous Year Figures are regrouped wherever required to make them comparable with current year figures.

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) The Financial Statements were authorized for issue in accordance with a resolution of the directors on April 19, 2018.

(b) Compliance with IndAS

The Company's Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

(c) Basis of measurement

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

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

(d) Use of estimates and judgements

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

NOTES FORMING PART OF ACCOUNTS (Contd..)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Property, plant and equipment

Refer Note I(5) for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 1(a).

(e) Measurement of fair values

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

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

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

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

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

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

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

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

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

2) Presentation of Financial Statements

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

NOTES FORMING PART OF ACCOUNTS (Contd..)

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

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

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

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

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

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

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

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

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

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

4) Cash 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.

5) Property, plant and equipment (PPE)

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.

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

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

NOTES FORMING PART OF ACCOUNTS (Contd..)

The estimated useful lives of the assets are as follows:

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

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

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

6) 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 :

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

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

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

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

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

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

7) 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.

NOTES FORMING PART OF ACCOUNTS (Contd..)

(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.

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

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

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

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

(iii) Other long term employee benefits:

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

(iv) Termination benefits

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

8) Borrowing costs

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

NOTES FORMING PART OF ACCOUNTS (Contd..)

9) **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.

10) **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.

11) **Income taxes**

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

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

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

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

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

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

NOTES FORMING PART OF ACCOUNTS (Contd..)

12) Impairment of non-current financial 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.

13) Provisions, contingent liabilities and contingent assets

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

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

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

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

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

'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.

14) Financial Instruments

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

a) Financial Assets

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

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

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

NOTES FORMING PART OF ACCOUNTS (Contd..)

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

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

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

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

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

Cash & Cash Equivalents

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

Investments

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

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when obligation specified in the contract is discharged or cancelled or expires.

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

b) Financial Liabilities

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

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

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

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

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

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

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

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

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

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

NOTES FORMING PART OF ACCOUNTS (Contd..)

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.

15) 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.

16) 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.

17) 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.

18) Standard issued but not yet effective

On March 28, 2018, Ministry of Corporate Affairs (“”MCA””) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company will adopt the standard on April 1, 2018. The effect on adoption of Ind AS 115 is expected to be insignificant.

As per our report attached

For **Manubhai & Shah LLP**
Chartered Accountants
(Firm Reg. No.106041W/W100136)

by the hand of

K C PATEL
Partner
Membership No.: 30083
Place : Ahmedabad
Date : April 20, 2018

For and on behalf of the Board

NIVEDITHA B.
Company Secretary
M. No. A40759

MANOJ SINGH
Chief Financial Officer

P. G. SURESH KUMAR
Director
DIN: 07124883

R.G. RAMACHANDRAN
Director
DIN: 02671982

Place : Chennai
Date : April 19, 2018