

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	(0.30)	(4.86)
Less: Depreciation, amortization, impairment and obsolescence	–	–
Profit / (Loss) before exceptional items and tax	(0.30)	(4.86)
Add: Exceptional Items	–	–
Profit / (Loss) before tax	(0.30)	(4.86)
Less: Provision for tax	–	–
Profit / (Loss) for the year carried to the Balance Sheet	(0.30)	(4.86)
Add: Balance brought forward from previous year	(4.86)	–
Balance to be carried forward	(5.16)	(4.86)

CAPITAL & FINANCE

During the year the Company has neither issued nor allotted share capital or Debentures.

CAPITAL EXPENDITURE

There were 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, more than 99% of the Company's equity paid up capital representing 4,19,99,995 equity shares @ ₹ 10/- each are in dematerialized form and 5 equity shares @ ₹ 10/- each are held in physical form.

SUBSIDIARY COMPANIES

The Company has no Subsidiary/Associate/Joint Venture Company.

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

Since the Company is engaged in the business of developing infrastructure facilities, 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. Details of Related Party Transactions are provided in Annexure 2 (AOC-2). All related party transactions were at arms length basis and are in ordinary course of business.

STATE OF COMPANY AFFAIRS:

The Company entered into Concession Agreement ("CA") with the National Highway Authority of India ("NHAI") on June 3, 2008 for Six laning of Chennai Tada section of NH – 5 from km 11.00 to km 54.40 on Design Build Finance Operate and Transfer basis.

The Company had vide Termination Notice dated July 24, 2015 terminated the CA for reasons stated therein and had requested the NHAI to make the Termination Payment amounting to ₹ 448.89 crore in terms of the CA. However, the Project was operated and maintained by the Company up to June 23, 2016 as NHAI did not come forward to take over the Project immediately.

NHAI has disputed the Termination of the CA by the Company and has also rejected its request to pay the Termination Payment in terms of the CA. The Company had declared the same as dispute vide its letter dated June 17, 2016.

A number of disputes/claims had arisen in respect of the CA. As the disputes could not be resolved amicably, the same were referred to Arbitration, as per the terms of the CA vide a letter dated July 11, 2013. The Company has lodged a claim of ₹ 583.67 crore approx. under ten different heads.

The dispute related to Termination of the CA and Termination Payment were referred to the Arbitral Tribunal consisting of Mr. Justice A. K. Patnaik (ret'd), Mr. Justice Mukul Mudgal (ret'd) and Mr. K B Lal Singal constituted for adjudicating the Claims related dispute.

In order to streamline Arbitrator's Fee and other expenses the Company had entered into Supplementary Agreement ("SA") to the CA with NHAI amending the arbitration clause in terms of the Indian Arbitration and Conciliation Act, 1996 as proposed by NHAI.

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The Arbitral Tribunal was constituted and first sitting of the Arbitral Tribunal was held on May 27, 2015 wherein timelines for completion of pleadings were finalized. First meeting of the Tribunal was held on February 25, 2017. The Pleadings and cross examination of the witnesses of both the parties have been concluded.

The Company's Counsel had commenced its arguments on April 1, 2018 and April 2, 2018 and further arguments by the Counsel shall be continued in the ensuing meeting of the Arbitral Tribunal to be held in the month of July 2018.

Arbitration related to termination

The Company has filed a Statement of Claims seeking following prayers:

- Declare that the Termination of the CA by the Company on account of Authority's Default in terms of Article 37.2.2 of the CA is valid and maintainable.
- Direct the NHAI to pay to the Company a sum of ₹ 454.62 crores + interest towards Termination Payment as per the terms of Article 37.3.2 of the CA on account of termination of the CA by the Company for Authority's Default in terms of Article 37.2.2 of the CA.
- NHAI had filed Counter Claims for an amount of ₹ 583.54 crore and the Company has filed its reply to the same.
- Pleadings in the matter has been completed and the arguments in the matter will commence after conclusion of the arguments by both the parties in the Claims related Arbitration.

Applications under Section-9 of Arbitration and Conciliation Act, 1996

The Company had filed an Application (OMP (I) no. 370 of 2015 on June 25, 2015) under Section 9 of Arbitration and Conciliation Act, 1996, requesting the Hon'ble High Court of Delhi to pass an order directing NHAI to take over the Project. Hon'ble High Court of Delhi vide its order directed NHAI to take over the Project consequent to Termination of the CA. Pursuant to the said order, the Company had handed over the Project to NHAI on June 23, 2016.

Furthermore, to protect the interest of the lenders the Company has filed another Application (OMP No. 371 of 2015) on July 15, 2015 before the Hon'ble High Court of Delhi, wherein the lenders were also impleaded as Respondents and the Hon'ble Court was requested to direct the NHAI to continue depositing the Toll in the Escrow Account till such time the issue of termination is decided by the Arbitral Tribunal. Consequently, the Hon'ble High Court of Delhi vide its Order dated May 27, 2016 disposed of the same and directed NHAI to deposit the toll collected by its agent in the Escrow Account till such time a new Concessionaire is appointed.

As per the direction of the High Court of Delhi, NHAI is uninterruptedly depositing the collections made in the Escrow Account and the same are being appropriated by the lenders.

Suit against the Company under DRT

NHAI had challenged the Termination of CA and did not make any payment towards Termination payment, the Lender have approached the Debt Recovery Tribunal, Chennai (DRT) on February 24, 2017 for recovery of their Debt under Section 19(1) of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 from the Company. The Application is registered as O.A. No.370 of 2017.

The Application has been filed for the recovery of an amount of ₹ 364.03 crores due under the Common Loan Agreement as on February 22, 2017. The Company has filed the reply to the same. Lenders have filed their Proof Affidavits and now the date for filing of Proof Affidavit by the company is listed on August 8, 2018.

AMOUNT TO BE CARRIED TO RESERVE:

The Company has not commenced commercial operation as per the CA and hence no appropriation of profits to any specific reserve has been made.

DIVIDEND

The Company has not commenced commercial operation as per the CA hence no dividend is recommended / payable.

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

There were no Foreign exchange earnings and outgo.

RISK MANAGEMENT POLICY:

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

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. T.S.Venkatesan, Director, retired by rotation in the Annual General Meeting of the Company held on September 26, 2017 and was re-appointed as Director.

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

S.No.	Name	Designation	DIN
1	Mr. T.S.Venkatesan	Director	01443165
2	Mr. P.G.Suresh Kumar	Director	07124883
3	Dr. Ashwin Mahalingam	Independent Director	05126953
4	Mr. K.P.Raghavan	Independent Director	00250991

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

S. No.	Name	Designation
1	Mr. C.Ramanan	Chief Financial Officer

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 27, 2017	4	4
July 17, 2017	4	4
October 13, 2017	4	3
January 19, 2018	4	3

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, inter alia cover business strategies, management structure, HR policy, management development and planning, half-yearly and annual results, budgets, treasury, 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 constituted an Audit Committee in terms of the requirements of the Companies Act, 2013 comprising of Mr. K.P.Raghavan, Dr. Ashwin Mahalingam, and Mr. T.S.Venkatesan

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During the year, 4(four) audit committee meetings were held as detailed hereunder:

Date	Committee Strength	No. of members Present
April 27, 2017	3	3
July 17, 2017	3	3
October 13, 2017	3	2
January 19, 2018	3	2

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.Intidpl.com.

COMPANY POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION

The Company had constituted the Nomination and Remuneration Committee in accordance with the requirements of the Act read with the Rules made thereunder comprising of Mr. K.P.Raghavan, Dr. Ashwin Mahalingam, and Mr. T.S.Venkatesan.

There were no Nomination & Remuneration Committee meetings held during the year.

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 Act. 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.

DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms that:

- The concept of a going concern is not applicable as the company has terminated the project and has no operations. Further explanations are provided under Notes forming part of Accounts attached to this annual report.
- In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- 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.
- 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.
- 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.
- 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 their 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.

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.

AUDITORS REPORT

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

AUDITOR

M/s.Gianender & Associates, Chartered Accountants, (Firm Reg no: 004661N), Delhi were appointed as Statutory Auditors at the Seventh Annual General Meeting (AGM) of the Company held on September 21, 2015 for a term of three consecutive years and shall be retiring at the ensuing AGM.

The Board recommends the appointment of M/s. M.K.Dandeker & Co. Chartered Accountants, (Firm Reg no: 000679S) as Statutory Auditors in place of M/s.Gianender & Associates for period of 5 consecutive years to hold office from the conclusion of the this 10th AGM till the conclusion of the 15th AGM to be held in the year 2023.

EXTRACT OF ANNUAL RETURN

The extract of the annual return in Form No. MGT-9 is enclosed 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, Central and State Government authorities, regulatory authorities and all the stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

Place: Chennai
Date: July 11, 2018

T. S. VENKATESAN
Director
DIN: 01443165

P. G. SURESH KUMAR
Director
DIN: 07124883

ANNEXURE 1

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the 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 any such contracts or arrangements during the year.

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

- 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.
- The details of related party transactions during the FY 2017-18 forms part of the financial statements as per Ind AS 24 and the same is given in Note f(7)

For and on behalf of the Board

Place: Chennai
Date: July 11, 2018

T. S. VENKATESAN
Director
DIN: 01443165

P. G. SURESH KUMAR
Director
DIN: 07124883

ANNEXURE 2**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2018**

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

I. REGISTRATION AND OTHER DETAILS:

CIN	U45309TN2008PLC066938
Registration Date	24/08/2008
Name of the Company	L&T Chennai-Tada Tollway Limited
Category / Sub-Category of the Company	Company Limited by shares/Indian Non-government Company
Address of the Registered office and contact details	P.O.Box.979, Mount Poonamallee Road, Manapakkam, Chennai- 600089
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	NSDL Database Management Limited 4th Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Ph: 022 4914 2591

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. 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	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	41999995	5*	42000000	100	41999995	5*	42000000	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	41999995	5*	42000000	100	41999995	5*	42000000	100	-
2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	41999995	5*	42000000	100	41999995	5*	42000000	100	-

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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	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	41999995	5*	42000000	100	41999995	5*	42000000	100	-

*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	41999895	99.99	-	41999895	99.99	-	-
2	Larsen & Toubro Limited	100	0.01	-	100	0.01	-	-
3	Mr. Krishnamurthy Venkatesh jointly with L&T IDPL	1	0	-	1	0	-	-
4	Mr. R.G.Ramachandran jointly with L&T IDPL	1	0	-	1	0	-	-
5	Mr. Karthikeyan T V jointly with L&T IDPL	1	0	-	1	0	-	-
6	Mr. T.S.Venkatesan jointly with L&T IDPL	1	0	-	1	0	-	-
7	Mr. J.Subramanian jointly with L&T IDPL	1	0	-	1	0	-	-
	Total	42000000	100	-	42000000	100	Nil	-

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	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. T.S.Venkatesan jointly with L&T IDPL				
	As on April 01, 2017	1	0	1	0
	No change in Shareholding during the year	–	–	–	–
	As on March 31, 2018	1	0	1	0

V. INDEBTEDNESS

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

(Amount in ₹)

Particulars of indebtedness	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
As on April 1, 2017			
i) Principal Amount	342,45,76,986	12,51,48,172	354,97,25,158
ii) Interest due but not paid	–	–	–
iii) Interest accrued but not due	–	–	–
Total (i+ii+iii)	342,45,76,986	12,51,48,172	354,97,25,158
Change the financial year			
· Addition	–	–	–
· Reduction	–	–	–
Net Change	–	–	–
As on March 31, 2018			
i) Principal Amount	342,45,76,986	12,51,48,172	354,97,25,158
ii) Interest due but not paid	–	–	–
iii) Interest accrued but not due	–	–	–
Total (i+ii+iii)	342,45,76,986	12,51,48,172	354,97,25,158

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Not applicable.****B. Remuneration to other directors:**

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	Dr.Ashwin Mahalingam	Mr.K.P.Raghavan	
	Fee for attending board meeting / committee meetings	1,50,000/-	1,50,000/-	3,00,000/-
	Commission	–	–	–
	Others, please specify	–	–	–
	Total (1)	1,50,000/-	1,50,000/-	3,00,000/-
2	Other Non-Executive Directors			
	1. Mr. T.S.Venkatesan			
	2. Mr. P.G.Suresh Kumar			
	No Fee for attending board / committee Meetings and no Commission	Nil		
	Total (2)			
	Total (B) = (1+2)	1,50,000/-	1,50,000/-	3,00,000/-
	Overall Ceiling as per the Act(sitting fees)	Not more than ₹ 1,00,000/- per meeting of Board or Committee Meeting		

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

No remuneration was paid to KMP of the Company. Mr. C.Ramanan, CFO of the Company is an employees of the Holding Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

Place: Chennai
Date: July 11, 2018

T. S. VENKATESAN
Director
DIN: 01443165

P. G. SURESH KUMAR
Director
DIN: 07124883

INDEPENDENT AUDITOR'S REPORT

To the Members of L&T Chennai Tada Tollway Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **L&T Chennai Tada Tollway Limited** ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information

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 standalone 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India

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 standalone 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 standalone 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 thereunder and the Order issued under section 143(11) of the Act

We conducted our audit of the standalone financial statements 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 standalone financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

EMPHASIS OF MATTER

We draw attention to:

- i) The Note no. F-11 to the financial statements which states that Due to the authority default company terminated the project with effect from June 24th 2015. Due to inaction of the authority on termination notice, company filed an application under Sec 9 of Arbitration and Conciliation act before the Hon' High Court of Delhi. On the direction of court, authority took over the project on 23rd June 2016. On an application made by the company the Hon High Court of Delhi directed NHAI to deposit toll collections related to the Project with the Escrow Account of the company till the decision of arbitration tribunal with respect to termination payment determination and settlement. These collections are adjusted towards "NHAH receivable amount towards the Termination claim. In view of the above management is confident of realizing all amounts accounted as 'Receivable from NHAI - Termination payment' under 'Other Financial Assets' of note no. 2 to the Financial Statements.
- ii) The Note no. 12 which states that going concern assumption is not appropriate, hence the financial statements have been drawn up accordingly.
- iii) Secured lender have approached DRT for recovery of entire outstanding loans.

Our opinion is not modified in respect of this matter.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2018, and its losses, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has no pending litigation which would impact its financial position except those disclosed in financial statements;
 - ii. The company did not have any long-term contract including derivative contract for which there were any material foreseeable losses;
 - iii. There were no amounts which were required by the company to be transferred to the Investor Education and Protection Fund, and;
2. As required by Section 143(3) of the Act, based on our audit we report that:

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 B, a statement on the matters specified in the paragraph 3 and 4 of the Order.

For GIANENDER & ASSOCIATES

Chartered Accountants
(Firm's Registration No. 004661N)

Manju Agrawal
(Partner)

(M. No. 083878)

Place: New Delhi
Date: April 19, 2018

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of L&T Chennai Tada Tollway 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”)

We have audited the internal financial controls over financial reporting of **L&T Chennai Tada Tollway Limited** (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS’ RESPONSIBILITY

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

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 Institute of Chartered Accountants of India.

For GIANENDER & ASSOCIATES

Chartered Accountants
(Firm’s Registration No. 004661N)

Manju Agrawal
(Partner)
(M. No. 083878)

Place: New Delhi
Date: April 19, 2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF L & T CHENNAI TADA TOLLWAY LIMITED FOR THE YEAR ENDED AS ON 31ST MARCH 2018

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

- i. The Company has no Fixed asset & immoveable property.
- ii. As the company is engaged in the business of infrastructure development, operations and its maintenance and there is no inventory in hand at any point of time, hence paragraph 3(ii) of the Order is not applicable to the company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.
- v. The Company has not accepted deposits in terms of the provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under. Therefore the paragraph 3(v) of the Order is not applicable to the company.
- vi. It has been represented by the Company that maintenance of the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the company.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2018, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable.
b) According to the information and explanations given to us, there were no statutory dues pending in respect of income tax, sales tax, VAT, custom duty and cess etc. on account of any dispute except demand raised by the income tax department for assessment year 2012-13 for an amount of ₹ 63,17,224 and assessment year 2014 - 15 for an amount of ₹ 12,99,85,790. Company has filed rectification u/s 154.
- viii. In our opinion and according to the information and explanation provided to us, the company has defaulted in payment of outstanding amount of loan amounting to ₹ 342,45,76,986 .The company has not taken any loans or borrowings from Government.
- ix. Money raised by way of term loans were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer.
- x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.
- xi. The Company has not paid any managerial remuneration, hence therefore para 3(xi) of the Order is not applicable to the company.
- xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable to the company.
- xiii. In our opinion and according to the information provided to us, the transaction entered with the related parties are in compliance with section 177 and 188 of the Act and are disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, therefore para 3(xiv) of the Order is not applicable to the company.
- xv. According to the information provided to us, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under section 192 of the Companies Act 2013. Therefore, paragraph 3(xv) of the Order is not applicable to the company.
- xvi. According to the information provided to us, the company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the company.

For GIANENDER & ASSOCIATES

Chartered Accountants

(Firm's Registration No. 004661N)

Manju Agrawal

(Partner)

(M. No. 083878)

Place: New Delhi

Date: April 19, 2018

BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note	March 31, 2018 (₹)	March 31, 2017 (₹)
ASSETS			
Current assets			
a) Financial assets			
i) Cash and bank balances	1	398,243	623,902
ii) Bank balances other than (i) above	1	–	4,073,241
b) Other Financial assets	2	4,066,708,453	4,177,537,089
c) Current tax assets (net)	2	13,686,670	13,685,770
d) Other current assets	2	–	1,012,767
		4,080,793,366	4,196,932,769
TOTAL	A	4,080,793,366	4,196,932,769
EQUITY AND LIABILITIES			
EQUITY			
a) Equity share capital	3	420,000,000	420,000,000
b) Other equity	4	(53,621,515)	(50,574,095)
	B	366,378,485	369,425,905
LIABILITIES			
Current liabilities			
a) Financial liabilities			
i) Borrowings	5	3,549,725,158	3,549,725,158
ii) Trade payables	6	73,942,135	72,086,105
iii) Other financial liabilities	7	90,747,588	205,671,183
b) Other current liabilities	8	–	24,418
	C	3,714,414,881	3,827,506,864
Total Equity and Liabilities	B + C	4,080,793,366	4,196,932,769
Contingent liabilities	D		
Commitments	E		
Other notes forming part of accounts	F		
Significant accounting policies	G		

As per our report attached

For and on behalf of the Board

For **GIANENDER & ASSOCIATES**

Chartered Accountants

(Firm registration no.: 004661N)

by the hand of

R. K. AGRAWAL

Partner

Membership No.: 085671

Place : New Delhi

Date : April 19, 2018

C. RAMANAN

Company Secretary / Chief Financial Officer

Membership No. A55576

Place : Chennai

Date : April 19, 2018

T. S. VENKATESAN

Director

DIN: 01443165

P. G. SURESH KUMAR

Director

DIN: 07124883

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

Particulars	Note	2017-18 (₹)	2016-17 (₹)
REVENUE			
Revenue from operations		—	—
Total income		—	—
EXPENSES			
Employee benefits expense	9	—	166,977
Finance costs	9	—	46,583,630
Administration and other expenses	9	3,047,420	1,877,675
Total expenses		3,047,420	48,628,282
Profit /(loss) before exceptional items and tax		(3,047,420)	(48,628,282)
Tax Expense:			
Current tax		—	—
Deferred tax		—	—
		—	—
Profit/(loss) for the year		(3,047,420)	(48,628,282)
Other comprehensive income:		—	—
i) Items that will not be reclassified to profit or loss (net of tax)			
ii) Items that will be reclassified to profit or loss (net of tax)			
Total comprehensive income for the year		(3,047,420)	(48,628,282)
Earnings per equity share (basic and diluted)	24	(0.07)	(1.16)
Face value per equity share		10.00	10.00

As per our report attached
For **GIANENDER & ASSOCIATES**
Chartered Accountants
(Firm registration no.: 004661N)

by the hand of

R. K. AGRAWAL
Partner
Membership No.: 085671
Place : New Delhi
Date : April 19, 2018

C. RAMANAN
Company Secretary / Chief Financial Officer
Membership No. A55576
Place : Chennai
Date : April 19, 2018

T. S. VENKATESAN **P. G. SURESH KUMAR**
Director Director
DIN: 01443165 DIN: 07124883

For and on behalf of the Board

CASH FLOW STATEMENT AS ON MARCH 31, 2018

S. Particulars No.	2017-18 (₹)	2016-17 (₹)
A Net profit / (loss) before tax	(3,047,420)	(48,628,282)
Adjustments for:		
Interest expense	–	46,583,630
Mutual fund fair value	–	68,929
Operating profit before working capital changes	(3,047,420)	(1,975,723)
Adjustments for:		
Increase / (decrease) in long term provisions	–	(2,153,407)
Increase / (decrease) in trade payables	1,856,030	34,320,100
Increase / (decrease) in other current liabilities	(24,418)	(169,353,428)
Increase / (decrease) in other current financial liabilities	(114,923,595)	46,004,143
(Increase) / decrease in other non-current assets	–	230,055
(Increase) / decrease in short term loans and advances	–	1,973,905
(Increase) / decrease in other current assets	111,840,503	(4,159,509,749)
Net cash generated from/(used in) operating activities	(4,298,900)	(4,250,464,104)
Direct taxes paid (net of refunds)	–	(9,032,899)
Net Cash(used in)/generated from Operating Activities	(4,298,900)	(4,259,497,003)
B Cash flow from investing activities		
Purchase of fixed assets	114,906,827	4,751,209,092
Net cash (used in)/generated from investing activities	114,906,827	4,751,209,092
C Cash flow from financing activities		
Repayment of long term borrowings	–	2,179,278
Proceeds/(repayment) of Loan from/to Parent company	–	10,630,172
Interest paid	(114,906,827)	(510,518,017)
Net cash (used in)/generated from financing activities	(114,906,827)	(497,708,567)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(4,298,900)	(5,996,478)
Cash and cash equivalents as at the beginning of the year	4,697,143	10,693,621
Cash and cash equivalents as at the end of the year	398,243	4,697,143

Notes:

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

As per our report attached

For and on behalf of the Board

For **GIANENDER & ASSOCIATES**

Chartered Accountants

(Firm registration no.: 004661N)

by the hand of

R. K. AGRAWAL

Partner

Membership No.: 085671

Place : New Delhi

Date : April 19, 2018

C. RAMANAN

Company Secretary / Chief Financial Officer

Membership No. A55576

Place : Chennai

Date : April 19, 2018

T. S. VENKATESAN

Director

DIN: 01443165

P. G. SURESH KUMAR

Director

DIN: 07124883

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**1) CASH AND CASH EQUIVALENTS**

Particulars	As at March 31, 2018	As at March 31, 2017
	₹	₹
a) Balances with banks	398,243	623,779
b) Cash on hand	–	123
	398,243	623,902
Bank balances other than cash and cash equivalents		
a) Balances with banks		
Restricted bank balance	–	4,073,241
	–	4,073,241

2 OTHER FINANCIAL ASSETS

Particulars	March 31, 2018			March 31, 2017		
	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹
Other Financial assets						
Receivable from NHAI	4,066,708,453	–	4,066,708,453	4,177,537,089	–	4,177,537,089
	4,066,708,453	–	4,066,708,453	4,177,537,089	–	4,177,537,089

Represents the amount receivable from National Highways Authority of India on account of termination of the project in terms of clause 37.2 of the concession agreement. The Company had entered into a concession agreement with NHAI on 03 June 2008 for the six laning of Chennai-Tada Section of National Highway 5 in the State of Tamil Nadu. Pursuant to the default of NHAI of the various conditions specified in the concession agreement, a notice was served on NHAI vide letter dated 18 March 2015. Due to the inaction of NHAI on the said matter, the Company had filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 (as amended), before the High Court of Delhi. On the direction of the Honourable High Court, NHAI took over the toll operations on 23 June 2016. The Court had also directed NHAI to deposit toll collections in the escrow account of the Company till the completion of arbitration with respect to the termination of the project and the finalisation of the proceeds. The arbitration/judicial proceedings in respect of this matter is currently ongoing.

2 CURRENT TAX ASSETS (NET)

Particulars	March 31, 2018			March 31, 2017		
	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹
Income tax net of provisions	13,686,670	–	13,686,670	13,685,770	–	13,685,770
	13,686,670	–	13,686,670	13,685,770	–	13,685,770

2 OTHER CURRENT ASSETS

Particulars	March 31, 2018			March 31, 2017		
	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹
VAT recoverable	–	–	–	1,012,767	–	1,012,767
	–	–	–	1,012,767	–	1,012,767

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)**3 SHARE CAPITAL**

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹	No. of shares	₹
(i) Authorised, issued, subscribed and paid up				
Authorised:				
Equity shares of ₹ 10 each	42,000,000	420,000,000	42,000,000	420,000,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each				
	42,000,000	420,000,000	42,000,000	420,000,000
(ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:				
At the beginning of the year	42,000,000	420,000,000	42,000,000	420,000,000
Issued during the year as fully paid	-	-	-	-
Others	-	-	-	-
At the end of the year	42,000,000	420,000,000	42,000,000	420,000,000

(iii) Terms / rights attached to shares**Equity shares of ₹ 10 each**

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

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

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

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

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

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)	41,999,900	419,999,000	41,999,900	419,999,000
Larsen and Toubro Limited (ultimate holding company)	100	1,000	100	1,000
	42,000,000	420,000,000	42,000,000	420,000,000

(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)	41,999,900	100%	41,999,900	100%
Larsen and Toubro Limited (including nominee holding)	100	0%	100	0%

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

NIL

(vii) Calls unpaid :

NIL;

Forfeited Shares :

NIL

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)**3 EQUITY SHARE CAPITAL**

Balance as at April 1, 2017		Changes in equity share capital during the year		Balance as at March 31, 2018	
No. of shares	₹	No. of shares	₹	No. of shares	₹
42,000,000	420,000,000	–	–	42,000,000	420,000,000

4 OTHER EQUITY AS AT MARCH 31, 2018**Particulars**

	Reserves & Surplus	
	Retained earnings	Total
Balance at the beginning of the year	(50,574,095)	(50,574,095)
Total comprehensive income for the year	(3,047,420)	(3,047,420)
Balance at the end of the year	(53,621,515)	(53,621,515)

OTHER EQUITY AS AT MARCH 31, 2017

Balance at the beginning of the year	(1,945,813)	(1,945,813)
Total comprehensive income for the year	(48,628,282)	(48,628,282)
Balance at the end of the year	(50,574,095)	(50,574,095)

5 BORROWINGS**Particulars**

	As at March 31, 2018			As at March 31, 2017		
	Current	Non current	Total	Current	Non current	Total
	₹	₹	₹	₹	₹	₹
Secured						
a) Debentures	–	–	–	–	–	–
b) Term loans						
i) From banks	3,424,576,986	–	3,424,576,986	3,424,576,986	–	3,424,576,986
Unsecured						
c) Loans from related parties	125,148,172	–	125,148,172	125,148,172	–	125,148,172
	3,549,725,158	–	3,549,725,158	3,549,725,158	–	3,549,725,158

Terms of interest & its Repayment**Particulars**

	Effective interest rate		Terms of repayment
	2017–18	2016–17	
Rupee Term loans			
Andhra Bank			Repayable in unequal quarterly instalments from December 31, 2013 till June 30, 2024, ranging from ₹ 1,18,75,000 to ₹ 26,12,50,000.
IDBI	Refer note*	Refer note*	
Vijaya Bank			
United Bank of India			
Unsecured Loan from Holding company	Nil	G-sec rate on the date of availing loan	Repayable post settlement of Rupee Term Loans

Nature of Security

The term loan is secured by pari passu first charge on all the assets of the Company, including tangible and intangible both present and future except Project assets as defined in the Concession Agreement.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)

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

Particulars	As at March 31, 2018	As at March 31, 2017
Long term borrowings	—	—
Current maturities of long term borrowings	3,424,576,986	3,424,576,986
	3,424,576,986	3,424,576,986

*The use of Effective interest rate (EIR) in valuation of the borrowing is not appropriate consequent to the "loan recall notice" issued by the lenders.

Defaults in repayment of Term Loan & Interest

The Company has defaulted in repayment of interest and principal due to the lenders from September 2015. The lenders of the Company had issued recall notices to the Company for immediate settlement of the outstanding dues. During the year, the lead bank had filed a recovery petition before the Debt Recovery Tribunal, Chennai for recovery of their dues. The Company had filed its reply on 23 December 2017 and the matter is now adjourned to 19 April 2018 for further proceedings.

6 TRADE PAYABLES

Particulars	As at March 31, 2018	As at March 31, 2017
	₹	₹
Acceptances		
Due to related parties (type of related party to be disclosed)	59,265,610	18,806,403
Due to others	14,676,525	53,279,702
	73,942,135	72,086,105

7 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	—	—	—	—	—	—
b) Interest accrued	87,630,141	—	87,630,141	202,536,968	—	202,536,968
c) Other liabilities	3,117,447	—	3,117,447	3,134,215	—	3,134,215
	90,747,588	—	90,747,588	205,671,183	—	205,671,183

8 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2018			As at March 31, 2017		
	Current	Non current	Total	Current	Non current	Total
	₹	₹	₹	₹	₹	₹
Statutory payables	—	—	—	24,418	—	24,418
	—	—	—	24,418	—	24,418

D CONTINGENT LIABILITIES

The Company has a Contingent liabilities of ₹ 13,63,03,014 towards demand notice under sec. 156 of Income tax act 1961, pertaining to assessment year 2012-13 for an amount of ₹ 63,17,224 and assessment year 2014 - 15 for an amount of ₹ 12,99,85,790 (previous year: ₹ 13,63,03,014)

E COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ Nil (previous year: NIL)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)**9 EMPLOYEE BENEFITS EXPENSE**

Particulars	2017-18		2016-17	
	₹	₹	₹	₹
Salaries, wages and bonus		—		147,157
Contributions to and provisions for:				
Provident and pension funds (Refer note)	—		9,208	
		—		9,208
Staff welfare expenses		—		10,612
		—		166,977

9 FINANCE COSTS

Particulars	2017-18		2016-17	
	₹	₹	₹	₹
Interest on borrowings		—		46,583,630
Other borrowing costs (specify nature)		—		—
		—		46,583,630

9 ADMINISTRATION AND OTHER EXPENSES

Particulars	2017-18		2016-17	
	₹	₹	₹	₹
Rent, rates and taxes	995,914		21,740	
Professional fees	1,890,731		1,850,929	
Printing and stationery	—		385	
Travelling and conveyance	—		4,621	
Repairs and maintenance - others	6,875		—	
Miscellaneous expenses	153,900		—	
	3,047,420		1,877,675	

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

Particulars	2017-18		2016-17	
	₹	₹	₹	₹
a) As auditor	318,010		309,925	
b) For taxation matters	11,500		—	
c) For other services	531,925		—	
Total	861,435		309,925	

F) NOTES FORMING PART OF ACCOUNTS**1) Corporate Information**

L&T Chennai Tada Tollway Limited, a Special Purpose Vehicle (SPV) incorporated for the purpose of widening of existing four lanes to six lanes from KM 11.00 to KM 54.40 on Chennai-Tada Section of NH 5 in the state of Tamilnadu under Concession Agreement dated June 3, 2008 with the National Highways Authority of India to be executed as BOT (TOLL) on DBFO Pattern under NHDP Phase V. The Concession Agreement is for a period of 15 years from the Appointed Date stated in clause 3.1 of the said agreement. The Company had terminated the project on account of Authority default on 24th Jun 2015 and handed over the project to National Highways Authority of India on 22nd Jun 2016. The Company's request of Termination payment is now under Arbitration.

- 2) The Statement of Profit and loss has been drawn to comply with the provisions of the Companies Act, 2013. However, the company has not commenced commercial operation.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)

- 3) The Company has not earned any income/incurred any expenditure in foreign currency during the year. (previous year: ₹ Nil)
- 4) Disclosure pursuant to Ind AS 19 "Employee benefits":
The Company does not have employees on roll effective 01st Jul 2016. Hence, the disclosure of Gratuity provision as at 31st Mar 2018 is not applicable
- 5) Disclosure pursuant to Ind AS 23 "Borrowing Costs"
Borrowing cost capitalised during the year ₹ Nil (previous year : ₹ Nil).
- 6) 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.
- 7) 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 Deccan Tollway Limited Krishnagiri Thopur Toll Road Limited Devihalli Hassan Tollway Limited L&T Interstate Road Corridor Limited Kudgi Transmission Limited L&T Krishnagiri Walajahpet Tollway Limited L&T Transportation Infrastructure Limited

b) Disclosure of related party transactions:

Particulars	2017-18 ₹	2016-17 ₹
1 Holding Company		
L&T Infrastructure Development Projects Limited		
• Purchase of goods and services	—	—
• Advance paid	—	—
• Loan Received	—	8,390,511
• Interest Accrued but not paid	—	—
• Reimbursement of expenses to	40,459,207	—
• Sale of fixed assets	—	—
• Refundable deposit received for directors' nomination	—	100,000
2 Ultimate Holding Company		
Larsen & Toubro Limited		
• Advance Paid	—	14,260
• Purchase of goods and services	—	5,209
• Reimbursement of expenses to	—	91,240
3 Fellow Subsidiaries		
Krishnagiri Thopur Toll Road Limited		
• Reimbursement of expenses from	—	15,891
• Sale of asset & materials	—	84,915
Devihalli Hassan Tollway Limited		
• Reimbursement of Expenses from	—	—
• Sale of asset & materials	—	509,759

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)

Particulars	2017-18 ₹	2016-17 ₹
L&T Transportation Infrastructure Limited		
• Purchase of goods and services	—	—
• Sale of asset & materials	—	8,968
L&T Krishnagiri Walajahpet Tollway Limited		
• Sale of asset & materials	—	2,353,963
Kudgi Transmission Limited		
• Sale of asset & materials	—	40,895
L&T Deccan Tollways Limited		
• Sale of asset & materials	—	1,365,708
L&T Interstate Road Corridor Limited		
• Sale of asset & materials	—	635,934
L&T General Insurance Company Limited		
• Purchase of goods and services	—	—

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

Particulars	Amounts due (to)/from	
	March 31, 2018 ₹	March 31, 2017 ₹
Ultimate Holding Company		
Larsen & Toubro Limited	(23,903,154)	(23,903,154)
Holding Company		
L&T Infrastructure Development Projects Limited		
Unsecured loan (incl accrued interest)	(125,148,172)	(125,148,172)
Trade payable	(40,459,207)	—
Fellow Subsidiaries		
L&T Deccan Tollway Limited	1,365,708	1,365,708
Krishnagiri Thopur Toll Road Limited	69,024	69,024
Devihalli Hassan Tollway Limited	509,759	509,759
L&T Interstate Road Corridor Limited	635,934	635,934
Kudgi Transmission Limited	40,895	40,895
L&T Krishnagiri Walajahpet Tollway Limited	2,466,463	2,466,463
L&T Transportation Infrastructure Limited	8,968	8,968

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 Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: INR Nil, 1 April 2017: 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.**8) Disclosure pursuant to Ind AS 17 "Leases"**

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)

9) 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 and Diluted			
Profit after tax as per accounts (₹)	A	(3,047,420)	(48,628,282)
Weighted average number of shares outstanding	B	42,000,000	42,000,000
Basic and Diluted EPS (₹)	A / B	(0.07)	(1.16)
Face value per equity share (₹)		10.00	10.00

10) Disclosure pursuant to Ind AS 36 “Impairment of Assets”

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

11) Arbitration

Due to the authority default, company terminated the project with effect from June 24th 2015. Due to inaction of the authority on termination notice, company filed an application under Sec 9 of Arbitration and Conciliation Act before the Hon’ High Court of Delhi. On the direction of Court, authority took over the project on 23rd June 2016. On an application made by the company, the Hon High Court of Delhi directed NHAI to deposit toll collections related to the Project with the Escrow Account of the company till the decision of arbitration tribunal with respect to termination payment determination and settlement. These collections are adjusted towards “NHAH receivable amount towards the Termination claims. The arbitration is in progress and is likely to conclude in next financial year. In view of the above management is confident of realising all amounts accounted as ‘Receivable from NHAI - Termination payment’ under ‘other Financial Assets’ of note no. 2 to the Financial Statements.

12) Going concern assumption is not appropriate, hence the financial statements have been drawn up accordingly.

13) The use of Effective interest rate (EIR) in valuation of the borrowing is not appropriate consequent to the “loan recall notice” issued by the lenders.

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

a) Contingent Liabilities :

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

15) Disclosure as per Ind AS 1 - “Presentation of Financial Statements”

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

16) All the financial asset are and financial liabilities are at amortised cost.

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

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

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

17) Financial Risk Management

The company’s activities expose it to variety of financial risks : market risk, credit risk and liquidity risk. The company’s focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The Board of Directors oversee compliance with the Company’s risk management policies and procedures, and reviews the risk management framework.

Market risk

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

i Foreign Currency Risk

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)

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

ii Interest rate risk

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

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

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

iii Price risk

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

iv Liquidity risk

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

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

v Credit risk

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

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

G. SIGNIFICANT ACCOUNTING POLICIES

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

1. Basis of preparation

(a) Compliance with Ind AS

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

(b) Basis of measurement

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

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

(c) Use of estimates and judgements

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

(d) Measurement of fair values

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)

- Level 2 inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2 Presentation of financial statements

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

Amounts in the financial statements are presented in Indian Rupees. Per share data are presented in Indian Rupees to two decimal places.

3 Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances. 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.

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:

- transactions of a non-cash nature;
- any deferrals or accruals of past or future operating cash receipts or payments and,
- 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 Borrowing costs

Borrowing costs include interest calculated using the effective interest method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, allocated to and utilized for acquisition, construction or production of qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset are added to the cost of the assets.

6 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.

7 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd..)

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

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

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

8 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 recognised as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably.

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

9 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.

10 Commitments

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

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for
- (ii) Uncalled liability on shares and other investments partly paid
- (iii) Funding related commitment to subsidiary, associate and joint venture companies and
- (iv) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

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

As per our report attached
For **GIANENDER & ASSOCIATES**
Chartered Accountants
(Firm registration no.: 004661N)

by the hand of

R. K. AGRAWAL
Partner
Membership No.: 085671

Place : New Delhi
Date : April 19, 2018

C. RAMANAN
Company Secretary / Chief Financial Officer
Membership No. A55576

Place : Chennai
Date : April 19, 2018

T. S. VENKATESAN **P. G. SURESH KUMAR**
Director Director
DIN: 01443165 DIN: 07124883

For and on behalf of the Board