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	**(83.11)**	*(90.89)*
Less: Depreciation, amortization, impairment and obsolescence	**21.68**	*16.16*
Profit / (Loss) before exceptional items and tax	**(104.79)**	*(107.05)*
Add: Exceptional Items	–	–
Profit / (Loss) before tax	**(104.79)**	*(107.05)*
Less: Provision for tax		–
Profit / (Loss) for the year carried to the Balance Sheet	**(104.79)**	*(107.05)*
Add: Balance brought forward from previous year	**(216.27)**	*(109.22)*
Balance to be carried forward	**(321.07)**	*(216.27)*

CAPITAL & FINANCE

During the year under review, the Company has allotted 8,47,18,223 numbers of 0.01% Compulsory Convertible Preference Shares of ₹ 10/- each aggregating to ₹ 84.72 crore on private placement basis for consideration other than cash by conversion of mezzanine debt together with accrued interest aggregating ₹ 14.72 crore to L&T Infrastructure Development Projects Limited ("Holding Company") and unsecured loan of ₹ 70 crore to LTIDPL Indvit Services Limited.

CAPITAL EXPENDITURE

As at March 31, 2018 the gross fixed and intangible assets including leased assets, stood at ₹ 1701.82 crore and the net fixed and intangible assets, including leased assets at ₹ 1648.82 crore. Capital Expenditure during the year amounted to ₹ 0.68 crore.

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 805,39,995 equity shares @ ₹ 10/- each are in dematerialized form and 5 equity shares @ ₹ 10/- each are held in Physical form.

Compulsory Convertible Preference Shares (CCPS):

100% of the preference share capital representing 26,89,44,604 CCPS @ ₹ 10/- each are in physical form.

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

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. The related party transactions are at arm's – length 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 ₹ 140.32 crore as against ₹ 160.04 crore for the previous financial year registering a decrease of 12.32%. The Loss after tax was ₹ 104.79 crore for the financial year under review as against ₹ 107.05 crore for the previous financial year, registering a decrease to the extent of 2.11%.

AMOUNT TO BE CARRIED TO RESERVE

In view of the loss incurred the Company has not transferred any amount to reserves during the year under review.

DIVIDEND

As the Company has no distributable profits, 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

No material changes or commitments adversely affecting the financial position of the Company have occurred between the end of the financial year and the date of this 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 ₹ 18.63 lakh towards payment against annual maintenance services for toll equipment.

RISK MANAGEMENT POLICY

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

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

Dr. Esther Malini, Director who had retired by rotation at the Annual General Meeting held on September 28, 2017 being eligible was re-appointed as Director at the said meeting.

The Board of Directors of the Company as on March 31, 2018 are as follows:

S. No.	Name of the Director	Designation	DIN
1	Mr. T.S.Venkatesan	Director	01443165
2	Dr. Esther Malini	Woman Director	07124748
3	Mr. K.P.Raghavan	Independent Director	00250991
4	Dr. K.N.Satyanarayana	Independent Director	02460153

Mr. Subramanian Elangovan had resigned as Manager of the Company with effect from November 26, 2017.

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

S. No.	Name of the KMP	Designation	Date of Appointment
1	Ms. Nandhini M.	Chief Financial Officer	July 31, 2015
2	Mr. Sridhar Ramakrishnan	Company Secretary	October 28, 2015

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 under review 4 (four) meetings were held on the following dates:

Date	Board Strength	No. of Directors Present
April 28, 2017	4	3
July 17, 2017	4	3
October 24, 2017	4	3
January 18, 2018	4	4

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, review of Internal Audit report, 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 constituted an Audit Committee in terms of the requirements of the Companies Act, 2013 comprising of Mr. K.P.Raghavan, Dr. K.N.Satyanarayana and Mr. T.S.Venkatesan.

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

Date	Strength	No. of Directors Present
April 28, 2017	3	2
July 17, 2017	3	2
October 24, 2017	3	2
January 18, 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.lntidpl.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. K.N.Satyanarayana and Mr. T.S.Venkatesan.

There were no meetings held during the year under review.

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 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 their meeting held on December 15, 2017, reviewed the performance of Board, Committees, and Non-Executive Directors. The performance evaluation of the Board, Committees and Directors was also reviewed by the Nomination and Remuneration Committee and the Board of Directors.

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 Report 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 the 5th Annual General Meeting held on 22nd September, 2015 for the Financial Year 2015-16 had appointed M/s. Gianender & Associates, Chartered Accountants, (Firm Reg no: 004661N), New Delhi as Statutory Auditors of the Company to hold office until the conclusion of the 10th Annual General Meeting of the Company to be held during the year 2020.

SECRETARIAL AUDITOR

Mr. R.Thamizhvanan, Company Secretary in practice (CP No.3721), 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 June 19, 2018 to the Shareholders for the financial year 2017-18 is unqualified and is attached as 'Annexure III' to this Report.

COST AUDITOR

M/s G.Sugumar, Cost Accountant (Membership No.32243), was appointed as Cost Auditor of the Company for audit of cost accounting records for the financial year 2017-2018, pursuant to the provisions of Section 148 of the Act and Rule 3 and 4 of the Companies (Cost Records and Audit) Amendment Rules, 2014. The Report of the Cost Auditors for the financial year 2017-2018 would be filed with the Ministry of Corporate Affairs once the same is finalized.

The remuneration of the Cost Auditor was ratified at the Annual General Meeting held on September 28, 2017. The Cost Audit Report for the year 2016-2017 was filed with MCA on November 2, 2017.

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, 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

	T. S. VENKATESAN	**Dr. ESTHER MALINI**
Place: Chennai	*Director*	*Director*
Date: July 11, 2018	*DIN: 01443165*	*DIN: 07124748*

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 arms-length transactions under the 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:

   - 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 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

	T. S. VENKATESAN	**Dr. ESTHER MALINI**
Place: Chennai	*Director*	*Director*
Date: July 11, 2018	*DIN: 01443165*	*DIN: 07124748*

ANNEXURE II

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 Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	U45203TN2010PLC074501
Registration Date	05/02/2010
Name of the Company	L&T Samakhiali Gandhidham 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 B NO.979, Mount Poonamallee Road, Manapakkam Chennai - 600089
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	NSDL Database Management Limited 4th Floor,'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013. (Phone: +91 22 49142700)

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and CIN / GLN of the Company	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	L&T Infrastructure Development Projects Limited (L&T IDPL) CIN: U65993TN2001PLC046691	Holding	99.98%	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.	80539995	5*	80540000	100	80539995	5*	80540000	100	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	**80539995**	**5***	**80540000**	**100**	**80539995**	**5***	**80540000**	**100**	**–**

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	
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)	**80539995**	**5***	**80540000**	**100**	**80539995**	**5***	**80540000**	**100**	**–**
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt (s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B) (1):-	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2) Non-Institutions									
a) Bodies Corp.	–	–	–	–	–	–	–	–	–
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B) (2):-	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Public shareholding (B) = (B)(1)+(B)(2)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	**80539995**	**5***	**80540000**	**100**	**80539995**	**5***	**80540000**	**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 1, 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 Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	L&T IDPL	80526995	99.98	50.99	80526995	99.98	50.99	–
2	Larsen & Toubro Limited	13000	0.02	0.01	13000	0.02	0.01	–
3	Mr. T.S. Venkatesan jointly with L&T IDPL	1	0	–	1	0	–	–
4	Mr. Karthikeyan T V jointly with L&T IDPL	1	0	–	1	0	–	–
5	Mr. P.G.Suresh Kumar jointly with L&T IDPL	1	0	–	1	0	–	–
6	Mr. R.G. Ramachandran jointly with L&T IDPL	1	0	–	1	0	–	–
7	Mr. J. Subramanian jointly with L&T IDPL	1	0	–	1	0	–	–
	Total	**80540000**	**100%**	**51.00**	**80540000**	**100%**	**51.00**	**–**

(iii) Change in Promoters' Shareholding:

During the year there was no change in the Promoters' shareholding.

(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:

S. No.	For Each of the Directors and Key Managerial Personnel	No. of shares	% of total shares	Cumulative Shareholding during the year	
				No. of shares	% of total shares
1.	Mr. T. S. Venkatesan jointly with L&T IDPL				
	As on April 1, 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	864,78,97,593	718,37,82,929	1583,16,80,522
ii) Interest due but not paid	–	–	–
iii) Interest accrued but not due	–	25,04,20,900	25,04,20,900
Total (i+ii+iii)	**864,78,97,593**	**743,42,03,829**	**1608,21,01,422**
Changes during the financial year			
Addition	5,89,566	121,96,56,623	122,02,46,189
Reduction	(112,88,56,723)	(14,15,77,760)	(127,04,34,483)
Net Change	**(112,82,67,157)**	**107,80,78,863**	**(5,01,88,294)**
As on March 31, 2018			
i) Principal Amount	751,90,40,870	803,87,44,447	1555,77,85,317
ii) Interest due but not paid	–	–	–
iii) Interest accrued but not due	5,89,566	47,35,38,245	47,41,27,811
Total (i+ii+iii)	**751,96,30,436**	**851,22,82,692**	**1603,19,13,128**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(a) Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in crore)

S. No.	Particulars of Remuneration	Manager: Mr. S. Elangovan	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.21*	0.21*
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	–	–
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission as % of profit	–	–
5.	Others, please specify	–	–
	Total	0.21*	0.21*
	Ceiling as per the Act	1.27	1.27

*Upto the date of resignation November 26, 2018

(b) Remuneration to other directors:

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of Directors		Total Amount
1	**Independent Directors**	**Dr. K. N. Satyanarayana**	**Mr. K. P. Raghavan**	
	Fee for attending Board / Committee Meeting	80,000	1,50,000	2,30,000
	Commission	–	–	–
	Others	–	–	–
	Total (1)	80,000	1,50,000	2,30,000
2.	**Other Non – Executive Directors**			
	1) Mr. T. S. Venkatesan			
	2) Dr. Esther Malini			
	No fee for attending Board Meeting / Committee Meeting and no Commission was paid	–	–	–
	Total (2)	**–**	**–**	**–**
	Total = (1+2)	**80,000**	**1,50,000**	**2,30,000**
	Total Managerial Remuneration	**NA**		
	Overall Ceiling as per the Act	Sitting fees not more than ₹ 1,00,000 per meeting of Board or Committee.		

(c) Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD

No remuneration was paid to Key Managerial Personnel other than Manager. Ms. Nandhini M, Chief Financial Officer and Mr. Sridhar Ramakrishnan, Company Secretary are employees of the Holding Company and Larsen & Toubro Limited, respectively.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

T. S. VENKATESAN
Director
DIN: 01443165

Dr. ESTHER MALINI
Director
DIN: 07124748

Place: Chennai
Date: July 11, 2018

ANNEXURE III

FORM No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 2017-18

[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 SAMAKHIALI GANDHIDHAM TOLLWAY LIMITED
P.O. BOX NO.979, MOUNT POONAMALLEE ROAD
MANAPAKKAM
CHENNAI-600089

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by L&T SAMAKHIALI GANDHIDHAM TOLLWAY LIMITED (here-in-after called the 'Company') for the financial ending 31st March 2018. Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of 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 has complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year under the provisions of

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

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

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

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

(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') - Not Applicable:-

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

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

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

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

During the audit period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

I further report that:-

The Board of Directors & the Committees of the Company are duly constituted. There were no changes in the composition of the Board of Directors during the period under review.

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

Majority decision is carried through and there were no dissenting views by any of the Board members during the year.

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

I further report that during the audit period the company has complied with all requirements under the new Companies Act 2013 to the extent notified and applicable with respect to all events/actions having a major bearing on the Companies affairs.

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

Place: Chennai
Date: 19.06.2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF L&T SAMAKHIALI GANDHIDHAM TOLLWAY LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **L&T SAMAKHIALI GANDHIDHAM 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.

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 profit, 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)

R. K. AGRAWAL
(Partner)
(M. No. 085671)

Place: New Delhi
Date: April 20, 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 SAMAKHIALI GANDHIDHAM 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 SAMAKHIALI GANDHIDHAM 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)

R. K. AGRAWAL
(Partner)
(M. No. 085671)

Place: New Delhi
Date: April 20, 2018

ANNEXURE 'B'

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF L&T SAMAKHIALI GANDHIDHAM 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. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

   b) The Fixed Assets have been physically verified by the management at regular intervals and no material discrepancies were noticed on such verification.

   c) The title deeds of immoveable properties are held in the name of the company.

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

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

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

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

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

vii. a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 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.

viii. In our opinion and according to the information and explanation provided to us, the company has not defaulted in repayment of loans or borrowing to the bank and financial institution .The Company has not taken any loans or borrowings from any Government and not issued any debentures during the year or in any previous years.

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 paragraph 3(xi) of the order is not applicable to the company.

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

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

xiv. The Company has made preferential allotment of shares during the year under review and complied with the requirement of section 42 of the Act.

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)

R. K. AGRAWAL
(Partner)
(M. No. 085671)

Place: New Delhi
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	4,981,200	*10,450,758*
b) Intangible assets	2	16,483,220,712	*16,691,369,813*
c) Intangible assets under development	3	–	–
d) Investment property	4	1,354,000	*1,354,000*
e) Financial Assets			
i) Others	4A	2,939,353	*3,363,948*
f) Other non-current assets	5	8,457,346	*7,561,584*
	A	16,500,952,611	*16,714,100,103*
Current assets			
a) Financial Assets			
i) Investments	6	35,835,862	–
ii) Cash and bank balances	7	27,075,110	*14,519,389*
iii) Other financial assets	4A	30,259,225	*28,953,995*
b) Current Tax Assets (net)	5A	3,367,748	*3,367,748*
c) Other current assets	5	10,995,115	*11,593,215*
	B	107,533,060	*58,434,347*
TOTAL	A+B	16,608,485,671	*16,772,534,450*
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	8	805,400,000	*805,400,000*
b) Other Equity	9	(956,882,982)	*(756,028,544)*
	C	(151,482,982)	*49,371,456*
LIABILITIES			
(1) Non-current liabilities			
a) Financial liabilities			
i) Borrowings	10	14,694,285,317	*15,461,380,522*
ii) Other financial liabilities	11	473,538,245	*250,420,900*
b) Provisions	12	313,347,124	*195,304,964*
c) Other non-current liabilities	13	–	–
	D	15,481,170,686	*15,907,106,386*
Current liabilities			
a) Financial liabilities			
i) Borrowings	10	299,800,000	*88,500,000*
ii) Trade payables	14	11,085,302	*17,186,269*
iii) Other financial liabilities	11	564,289,566	*281,800,000*
b) Other current liabilities	13	403,365,076	*427,756,544*
c) Provisions	12	258,023	*813,795*
	E	1,278,797,967	*816,056,608*
Total Equity and Liabilities	C+D+E	16,608,485,671	*16,772,534,450*
CONTINGENT LIABILITIES	F		
COMMITMENTS	G		
OTHER NOTES FORMING PART OF ACCOUNTS	H		
SIGNIFICANT ACCOUNTING POLICIES	I		

As per our report attached

For **GIANENDER & ASSOCIATES**
Chartered Accountants
Firm's Regn. No. 004661N

R. K. AGRAWAL
Partner
Membership No. 085671

Place: New Delhi
Date: April 20, 2018

For and on behalf of the Board

SRIDHAR RAMAKRISHNAN
Company Secretary
M. No. A8840

NANDHINI M
Chief Financial Officer

T.S.VENKATESAN
Director
DIN: 01443165

ESTHER MALINI
Director
DIN: 07124748

Place: New Delhi
Date: April 20, 2018

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

Particulars	Note No.	2017-18 ₹	*2016-17* ₹
REVENUE			
Revenue from Operations	**15**	**1,392,417,538**	*1,102,341,300*
Construction contract revenue		**–**	*480,191,826*
Other income	**16**	**10,781,006**	*17,822,618*
Total Revenue		**1,403,198,544**	*1,600,355,744*
EXPENSES			
Construction contract expenses		**–**	*480,191,826*
Operating expenses	**17**	**275,807,825**	*193,225,636*
Employee benefit expenses	**18**	**15,454,889**	*12,038,537*
Finance costs	**19**	**1,902,889,962**	*1,786,060,977*
Depreciation and amortisation	**1-3**	**216,878,851**	*161,597,525*
Administration and other expenses	**20**	**40,086,129**	*37,735,402*
Total Expenses		**2,451,117,656**	*2,670,849,903*
Profit/(loss) before tax		**(1,047,919,112)**	*(1,070,494,159)*
Tax Expense:			
Current tax		**–**	*–*
Deferred tax		**–**	*–*
Profit/(loss) after tax for the year		**(1,047,919,112)**	*(1,070,494,159)*
Profit for the year		**(1,047,919,112)**	*(1,070,494,159)*
Other Comprehensive Income			
Nature			
Income-tax effect			
i) Reclassifiable to profit or loss in subsequent periods			
ii) Not reclassifiable to profit or loss in subsequent periods		**(117,557)**	*89,868*
Total Comprehensive Income for the year		**(1,048,036,669)**	*(1,070,404,291)*
Earnings per equity share (Basic and Diluted)	**H(8)**	**(13.01)**	*(13.29)*
Face value per equity share		**10.00**	*10.00*

As per our report attached

For **GIANENDER & ASSOCIATES**
Chartered Accountants
Firm's Regn. No. 004661N

R. K. AGRAWAL
Partner
Membership No. 085671

Place: New Delhi
Date: April 20, 2018

For and on behalf of the Board

SRIDHAR RAMAKRISHNAN
Company Secretary
M. No. A8840

NANDHINI M
Chief Financial Officer

T.S.VENKATESAN
Director
DIN: 01443165

ESTHER MALINI
Director
DIN: 07124748

Place: New Delhi
Date: April 20, 2018

CASH FLOW STATEMENT AS ON MARCH 31, 2018

		2017-18 ₹	*2016-17 ₹*
A	**Cash flow from operating activities**		
	Net profit / (loss) before tax and extraordinary items	**(1,048,036,669)**	*(1,070,404,291)*
	Adjustment for		
	Depreciation and amortisation expense	**216,878,851**	*161,597,525*
	Interest expense	**1,902,889,962**	*1,786,060,977*
	Interest income	**(5,604,468)**	*(8,083,694)*
	(Profit)/loss on sale of current investments(net)	**(3,090,465)**	*(2,478,220)*
	(Profit)/loss on sale of fixed assets	**(288,388)**	*(7,074)*
	Operating profit before working capital changes	**1,062,748,823**	*866,685,223*
	Adjustments for:		
	Increase / (Decrease) in long term provisions	**97,238,628**	*98,463,351*
	Increase / (Decrease) in trade payables	**(6,100,966)**	*11,405,017*
	Increase / (Decrease) in other current liabilitites	**(24,391,468)**	*273,963,886*
	Increase / (Decrease) in other current financial liabilitites	**281,900,000**	–
	Increase / (Decrease) in other non-current financial liabilities	**–**	–
	Increase / (Decrease) in short term provisions	**(555,772)**	–
	Increase / (Decrease) in other Financial Assets	**(880,635)**	–
	(Increase) / Decrease in long term loans and advances	**(816,244)**	*(2,178,128)*
	(Increase) / Decrease in other current assets	**598,100**	*(27,016,952)*
	Net cash generated from/(used in) operating activities	**1,409,740,466**	*1,221,322,397*
	Direct taxes paid (net of refunds)	**(79,518)**	*(1,031,287)*
	Net Cash(used in)/generated from Operating Activities	**1,409,660,948**	*1,220,291,110*
B	**Cash flow from investing activities**		
	Purchase of fixed assets	**(6,778,196)**	*(489,690,611)*
	Sale of fixed assets	**3,806,391**	*561,771*
	(Purchase)/sale of current investments (net)	**(32,745,397)**	*2,478,219*
	Interest received	**–**	*83,766*
	Net cash (used in)/generated from investing activities	**(35,717,202)**	*(486,566,855)*
C	**Cash flow from financing activities**		
	Proceeds from issue of capital	**700,000,000**	*679,757,800*
	Proceeds from long term borrowings		
	Proceeds/(repayment) from/to short term borrowings (net)	**211,300,000**	–
	Repayment of long term borrowings	**(1,412,999,998)**	*(468,300,000)*
	Interest paid	**(859,688,027)**	*(948,827,999)*
	Net cash (used in)/generated from financing activities	**(1,361,388,025)**	*(737,370,199)*
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**12,555,721**	*(3,645,944)*
	Cash and cash equivalents as at the beginning of the year	**14,519,389**	*18,165,333*
	Cash and cash equivalents as at the end of the year	**27,075,110**	*14,519,389*

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

As per our report attached

For **GIANENDER & ASSOCIATES**
Chartered Accountants
Firm’s Regn. No. 004661N

R. K. AGRAWAL
Partner
Membership No. 085671

Place: New Delhi
Date: April 20, 2018

For and on behalf of the Board

SRIDHAR RAMAKRISHNAN
Company Secretary
M. No. A8840

NANDHINI M
Chief Financial Officer

T.S.VENKATESAN
Director
DIN: 01443165

ESTHER MALINI
Director
DIN: 07124748

Place: New Delhi
Date: April 20, 2018

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

(₹ **in lakhs**)

NOTE 9 : OTHER EQUITY AS ON 31.03.2018

Particulars	Equity component of compound financial instruments	Reserves & Surplus		Total
		General Reserve	Retained earnings	
Balance at the beginning of the reporting period	1,406,625,152	–	(2,162,653,696)	(756,028,544)
Changes in accounting policy	–	–	–	–
Restated balance as at the beginning of the reporting period	–	–	–	–
Transfer to retained earnings	–	–	–	–
Profit for the year	–	–	(1,047,919,112)	(1,047,919,112)
Other comprehensive income	–	–	(117,557)	(117,557)
Issue of share capital	847,182,230	–	–	847,182,230
Transfer from / (to) debenture redemption reserve	–	–	–	–
Balance at the end of the reporting period	**2,253,807,382**	**–**	**(3,210,690,365)**	**(956,882,982)**

OTHER EQUITY AS ON 31.03.2017

Particulars	Equity component of compound financial instruments	Reserves & Surplus		Total
		General Reserve	Retained earnings	
Balance at the beginning of the reporting period	726,867,352	–	(1,092,249,405)	(365,382,053)
Changes in accounting policy	–	–		–
Restated balance as at the beginning of the reporting period	–	–	–	–
Transfer to retained earnings	–	–	–	–
Profit for the year	–	–	(1,070,494,159)	(1,070,494,159)
Other comprehensive income	–	–	89,868	89,868
Issue of share capital	679,757,800	–	–	679,757,800
Transfer from / (to) debenture redemption reserve	–	–	–	–
Balance at the end of the reporting period	**1,406,625,152**	**–**	**(2,162,653,696)**	**(756,028,544)**

As per our report attached

For **GIANENDER & ASSOCIATES**
Chartered Accountants
Firm's Regn. No. 004661N

R. K. AGRAWAL
Partner
Membership No. 085671

Place: New Delhi
Date: April 20, 2018

For and on behalf of the Board

SRIDHAR RAMAKRISHNAN
Company Secretary
M. No. A8840

NANDHINI M
Chief Financial Officer

T.S.VENKATESAN
Director
DIN: 01443165

ESTHER MALINI
Director
DIN: 07124748

Place: New Delhi
Date: April 20, 2018

NOTES FORMING PART OF ACCOUNTS

NOTE 1 : PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹)

Particulars	Cost				Depreciation				Book Value	
	As at April 01, 2017	Additions	Deductions	As at March 31, 2018	As at April 01, 2017	For the year	Deductions	As at March 31, 2018	As at March 31, 2018	As as March 31, 2017
Owned										
Plant and Equipment	1,579,337	330,750	199,393	1,710,694	282,006	284,224	20,935	545,295	1,165,399	1,297,331
Furniture and fixtures	1,568,362	–	267,527	1,300,835	157,963	150,233	40,128	268,068	1,032,767	1,410,399
Vehicles	8,172,989	–	7,355,561	817,428	3,492,017	1,577,670	4,517,853	551,834	265,594	4,680,972
Office equipment	902,445	461,389	–	1,363,834	647,783	177,619	–	825,402	538,432	254,662
Air conditioning and Refrigeration	3,180,754	–	–	3,180,754	795,189	795,192	–	1,590,381	1,590,373	2,385,565
Computers, laptops and printers	779,640	470,694	786,159	464,175	357,811	229,450	511,721	75,540	388,635	421,829
Total	**16,183,527**	**1,262,833**	**8,608,640**	**8,837,720**	**5,732,769**	**3,214,388**	**5,090,637**	**3,856,520**	**4,981,200**	**10,450,758**
Previous year	*6,684,742*	*10,053,482*	*554,697*	*16,183,527*	*1,900,205*	*3,832,564*	*–*	*5,732,769*	*10,450,758*	*4,784,537*

Refer Note H(17) for information on property, plant and equipments pledged as security.

There is no restriction on title of property, plant and equipments.

There is no contractual commitment on acquition of property, plant and equipments.

NOTE 2 : INTANGIBLE ASSETS

(Amount in ₹)

Particulars	Cost				Amortisation				Book Value	
	As at April 01, 2017	Additions	Deductions	As at March 31, 2018	As at April 01, 2017	For the year	Deductions	As at March 31, 2018	As at March 31, 2018	As as March 31, 2017
Toll Equipments	115,236,967	5,515,363	–	120,752,330	16,462,470	16,944,921	–	33,407,391	87,344,939	98,774,497
Toll collection rights	16,888,629,419	–	–	16,888,629,419	296,034,103	196,719,543	–	492,753,646	16,395,875,773	16,592,595,316
Total	**17,003,866,386**	**5,515,363**	**–**	**17,009,381,749**	**312,496,573**	**213,664,464**	**–**	**526,161,037**	**16,483,220,712**	**16,691,369,813**
Previous year	*15,706,167,137*	*1,297,699,249*	*–*	*17,003,866,386*	*154,731,562*	*157,765,011*	*–*	*312,496,573*	*16,691,369,813*	*15,551,435,575*

In amortisation working for the toll collection rights, it is assumed that collection rights will be extended for the 23.263 days against demonetisation period.

Disclosure of Material Intangible Asset

Toll collection rights of widening of existing two-lane of 56 kilometers Road stretch covering Samakhiali to Gandhidham to make it four lane.

Particulars	**Remaining Amortization Period (Years)**
As at March 31, 2018	16.45
As at March 31, 2017	17.45
As at March 31, 2016	18.45
As at April 01, 2015	19.45

There is no restriction on title of Tolling rights.

There is no contractual commitment on acquition of Tolling rights.

Refer Note H(17) for information on Intangible asset pledged as security.

NOTE 4 : INVESTMENT PROPERTY

Particulars	**March 31, 2018** Current	Non-current	Total	*March 31, 2017* Current	Non-current	Total
	₹	₹	₹	₹	₹	₹
a) Land	**–**	**1,354,000**	**1,354,000**	*–*	*1,354,000*	*1,354,000*
	–	**1,354,000**	**1,354,000**	*–*	*1,354,000*	*1,354,000*

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

NOTE 4A) : FINANCIAL ASSETS

Particulars	March 31, 2018 Current ₹	March 31, 2018 Non-current ₹	March 31, 2018 Total ₹	*March 31, 2017 Current ₹*	*March 31, 2017 Non-current ₹*	*March 31, 2017 Total ₹*
Security deposit	–	1,698,454	1,698,454		*1,617,029*	*1,617,029*
Other advances	30,259,225	1,240,899	31,500,124	28,953,995	–	*28,953,995*
Advances to related parties	–	–	–	–	*1,746,919*	*1,746,919*
	30,259,225	2,939,353	33,198,578	*28,953,995*	*3,363,948*	*32,317,943*

NOTE 5 : OTHER NON-CURRENT AND CURRENT ASSETS

Particulars	March 31, 2018 Current ₹	March 31, 2018 Non-current ₹	March 31, 2018 Total ₹	*March 31, 2017 Current ₹*	*March 31, 2017 Non-current ₹*	*March 31, 2017 Total ₹*
Advance recoverable other than in cash						
Employee Benefit Plans	101,500	816,244	917,744	–	–	–
Prepaid Insurance	9,221,965	–	9,221,965	*9,921,565*	–	*9,921,565*
Prepaid expenses	–	–	–	–	–	–
Other						
VAT recoverable	1,671,650	–	1,671,650	*1,671,650*	–	*1,671,650*
	10,995,115	816,244	11,811,359	11,593,215	–	*11,593,215*

NOTE 5A : CURRENT TAX ASSETS

Particulars	March 31, 2018 Current ₹	March 31, 2018 Non-current ₹	March 31, 2018 Total ₹	*March 31, 2017 Current ₹*	*March 31, 2017 Non-current ₹*	*March 31, 2017 Total ₹*
Income tax						
Income tax net of provisions	3,367,748	7,641,102	11,008,850	3,367,748	*7,561,584*	*10,929,332*
	3,367,748	7,641,102	11,008,850	3,367,748	*7,561,584*	*10,929,332*

NOTE 6 : INVESTMENTS

Particulars	As at March 31, 2018 Quantity Units	As at March 31, 2018 Current ₹	*As at March 31, 2017 Quantity Units*	*As at March 31, 2017 Current ₹*
Investments at fair value through Profit and loss				
Investments in mutual funds		35,835,862		–
Investment in Commercial paper		–		–
Other investments		–		
		35,835,862		–
Aggregate amount of quoted investments		35,596,228		
Aggregate amount of market value of above		35,835,862		

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

NOTE 7 : CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹
a) Balances with banks	18,293,677	4,680,364
b) Cheques on hand	1,167,300	–
b) Cash on hand	7,614,133	9,839,025
	27,075,110	14,519,389

NOTE 8 : SHARE CAPITAL

(i) Authorised, issued, subscribed and paid up

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹	No. of shares	₹
Authorised:				
Equity shares of ₹ 10 each	211,030,000	2,110,300,000	211,030,000	2,110,300,000
Issued, subscribed and fully paid up	80,540,000	805,400,000	80,540,000	805,400,000
Equity shares of ₹ 10 each	80,540,000	805,400,000	80,540,000	805,400,000

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

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	80,540,000	805,400,000	80,540,000	805,400,000
Issued during the year as fully paid		–	–	–
Others	–	–	–	–
At the end of the year	80,540,000	805,400,000	80,540,000	805,400,000

(iii) Equity component of Convertible Preference shares

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	113,465,780	1,134,657,800	113,465,780	1,134,657,800
Issued during the year as fully paid	84,718,223	847,182,230	–	–
Others	–	–		–
At the end of the year	198,184,003	1,981,840,030	113,465,780	1,134,657,800

(iii) Terms / rights attached to shares

Equity shares

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

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 class of shareholder.

No dividend has been declared by Board of Directors during the year ended on 31st March, 2018 (Previous Year - ₹ Nil)

In the event of liquidation of the Company, the holders of equity shares shall be entitiled to receive the residual assets of the Company, after distribution of all preferential amount.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Compulsory convertible Preference shares

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

Preference share holders shall be Non-participating rights in the surplus funds.

Preference share holders shall be Non-participating rights in the surplus assets and profit on winding up which may remain after the entire capital has been repaid

Preference share holders would be Paid dividend on non cumulative basis.

Preference share holder carry voting rights as per provisions of Section 47 (2) of the Act

Since the Company does not have profits, no dividend is accrued or payable.

Preference share will be converted into equity share at the option of the company or at the completion of 10th year from the date of allotment.

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

	As at March 31, 2018		*As at March 31, 2017*	
	No. of shares	**₹**	*No. of shares*	*₹*
Equity Shares	**80,527,000**	**805,270,000**	*80,527,000*	*805,270,000*
Holding Company				
L&T Infrastructure Development Projects Limited (including nominee holding)	**80,527,000**	**805,270,000**	*80,527,000*	*805,270,000*
Ultimate Holding Company				
Larsen and Toubro Limited	**13,000**	**130,000**	*13,000*	*130,000*
0.01% Compulsory convertible cumulative Redeemable Preference Shares				
Holding Company				
L&T Infrastructure Development Projects Limited (including nominee holding)	**128,184,003**	**1,281,840,030**	*113,465,780*	*1,134,657,800*
Fellow Subsidiary				
LTIDPL Indvit Services Limited	**70,000,000**	**700,000,000**	–	–
	278,724,003	**2,787,240,030**	*194,005,780*	*1,940,057,800*

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

	As at March 31, 2018		*As at March 31, 2017*	
	No. of shares	**%**	*No. of shares*	*%*
Equity Shares				
L&T Infrastructure Development Projects Limited (including nominee holding)	**80,527,000**	**28.89%**	*80,527,000*	*41.51%*
0.01% Compulsory convertible cumulative Redeemable Preference Shares				
L&T Infrastructure Development Projects Limited (including nominee holding)	**128,184,003**	**64.68**	*113,465,780*	*100*
LTIDPL Indvit Services Limited	**70,000,000**	**35.32**	–	–

(vi) Shares reserved for issue under options: NIL

(vii) 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

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

NOTE 10 : BORROWINGS

Particulars	As at March 31, 2018 Current ₹	Non-current ₹	Total ₹	As at March 31, 2017 Current ₹	Non-current ₹	Total ₹
Secured borrowings						
a) Term loans						
i) From banks	–	6,955,340,870	6,955,340,870	–	8,366,097,593	8,366,097,593
ii) From others	–	–	–	–	–	–
c) Inter Corporate Deposits						
Unsecured borrowings						
a) Deferred payment liabilities	–	7,738,944,447	7,738,944,447	–	6,963,253,464	6,963,253,464
c) Loans from related parties	299,800,000	–	299,800,000	88,500,000	132,029,465	220,529,465
d) Commercial papers	–	–	–	–	–	–
	299,800,000	14,694,285,317	14,994,085,317	88,500,000	15,461,380,522	15,549,880,522

Deferred Payment liability represents total concession fees of ?.24,20,18,17,478/- payable to NHAI as per clause 26.2 of the concession agreement, The Present value of differred payment liability is ₹ 773,89,44,447/-

Details of long term borrowings

Particulars	Effective interest rate	Terms of repayment
Term loans from banks	10.40%	6,955,340,870
Deferred payment liabilities-NHAI		7,738,944,447
Term loans from others	–	–
Loans from related parties	Interest Free	299,800,000

Nature of security for term loans

Secured Indian rupee term loans from banks are secured by a first mortgage and charge on all immovable properties except project assets more particularly the freehold non-agricultural land of Mouje Zaap of Sudhagad Taluka District Raigad, b) a first charge on tangible moveable assets except project assets, c) a charge on the accounts, d) a charge on all intangibles, e)charge on uncalled capital, f) in case of substitution under the Substitution agreement, assignment by way of security of the rights, title and interest , to, under the Project Documents, Government approvals and insurance contracts g)rights, title, interest, benefits, claims and demands in, to, under or in respect of all receivables . The loans are further secured by a pledge of 51% of equity shares upto 2 years from Commercial Operations Date.

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

Particulars	2017-2018	2016-2017
Long term borrowings	6,955,340,870	8,366,097,593
Current maturities of long term borrowings	563,700,000	281,800,000
Deferred payment liabilities	7,738,944,447	6,963,253,464

NOTE 11 : OTHER FINANCIAL LIABILITIES

Particulars	March 31, 2018 Current ₹	Non-current ₹	Total ₹	March 31, 2017 Current ₹	Non-current ₹	Total ₹
a) Interest accrued	589,566	473,538,245	474,127,811	–	250,420,900	250,420,900
b) Other liabilities						
i) Current Maturity of Long term Debt	563,700,000	–	563,700,000	281,800,000	–	281,800,000
	564,289,566	473,538,245	1,037,827,811	281,800,000	250,420,900	532,220,900

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Particulars	March 31, 2018 Current ₹	Non-current ₹	Total ₹	March 31, 2017 Current ₹	Non-current ₹	Total ₹
NOTE 12 : PROVISIONS						
Provision for employee benefits	258,023	212,114	470,137	813,795	1,673,486	2,487,281
Provisions for major maintenance reserve	–	313,135,010	313,135,010	–	193,631,478	193,631,478
	258,023	313,347,124	313,605,147	813,795	195,304,964	196,118,759
NOTE 13 : OTHER LIABILITIES						
i) Due to related parties :						
(a) Larsen & Toubro Limited	209,444,557	–	209,444,557	105,205,526	–	105,205,526
ii) Other liabilities	190,518,362	–	190,518,362	319,639,629	–	319,639,629
iii) Statutory payables	3,402,157	–	3,402,157	2,911,389	–	2,911,389
	403,365,076	–	403,365,076	427,756,544	–	427,756,544

NOTE 14 : TRADE PAYABLES

	March 31, 2018 ₹	₹	March 31, 2017 ₹	₹
Acceptances				
Due to related parties				
Ultimate Holding company		3,570,463		2,658,903
Holding company		687,721		2,299,793
Due to others		6,827,118		12,227,573
		11,085,302		17,186,269

NOTE F : CONTINGENT LIABILITIES

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

NOTE G : COMMITMENT

The Company has an estimated amount of ₹ Nil/- (Previous year: ₹ Nil/-) contracts remaining to be executed on capital account as at March 31, 2018.

NOTE 15 : REVENUE FROM OPERATIONS

	2017-18 ₹	₹	2016-17 ₹	₹
Operating revenue:				
Toll Collections	1,392,417,538		1,102,341,300	
		1,392,417,538		1,102,341,300
		1,392,417,538		1,102,341,300

NOTE 16 : OTHER INCOME

	2017-18 ₹	₹	2016-17 ₹	₹
Interest income from:				
Inter-corporate deposits	5,604,469		7,999,928	
Others	–		83,766	
		5,604,469		8,083,694
Fair value through profit or loss		3,090,465		2,478,220
Profit/(loss) on disposal of fixed assets		288,388		7,074
Insurance receipt		233,636		6,734,801
Other income		1,564,048		518,829
		10,781,006		17,822,618

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

NOTE 17 : OPERATING EXPENSES

	2017-18 ₹	2017-18 ₹	*2016-17* ₹	*2016-17* ₹
Toll Management fees		**39,012,783**		*22,556,585*
Security services		**11,178,766**		*14,312,179*
Insurance		**15,774,285**		*15,213,043*
Concession fee		**1**		*1*
Repairs and maintenance				
Toll road & bridge	**70,626,030**		*17,837,969*	
Plant and machinery	**8,954,209**		*5,385,896*	
Periodic major maintenance	**98,700,000**		*89,200,000*	
Others	**3,154,200**		*6,761,659*	
		181,434,439		*119,185,524*
Professional fees		**13,294,328**		*6,304,581*
Power and fuel		**15,113,223**		*15,653,723*
		275,807,825		*193,225,636*

NOTE 18 : EMPLOYEE BENEFIT EXPENSES

	2017-18 ₹	2017-18 ₹	*2016-17* ₹	*2016-17* ₹
Salaries, wages and bonus		**13,176,734**		*8,835,021*
Contributions to and provisions for:				
Provident fund	**685,350**		*519,957*	
Gratuity	**202,411**		*444,038*	
Compensated absences	**(537,921)**		*713,447*	
Retention pay	**(481,122)**		–	
		(131,282)		*1,677,442*
Staff welfare expenses		**2,409,437**		*1,526,074*
		15,454,889		*12,038,537*

NOTE 19 : FINANCE COSTS

	2017-18 ₹	2017-18 ₹	*2016-17* ₹	*2016-17* ₹
Interest on borrowings		**833,175,755**		*893,030,393*
Interest on holding company		**–**		*11,449,116*
Other borrowing cost (specify nature)		**250,219,183**		*155,551,491*
Unwinding of discount and implicit interest expense on fair value		**819,495,024**		*726,029,977*
		1,902,889,962		*1,786,060,977*

NOTE 20 : ADMINISTRATION AND OTHER EXPENSES

	2017-18 ₹	*2016-17* ₹
Rent, Rates and taxes	**415,781**	*7,222,614*
Professional fees	**30,126,185**	*27,342,477*
Postage and communication	**641,239**	*194,628*
Printing and stationery	**452,069**	*416,643*
Travelling and conveyance	**5,780,356**	*1,567,535*
Repairs and Maintenance - Others	**1,318,672**	*912,565*
Miscellaneous expenses	**1,351,827**	*78,940*
	40,086,129	*37,735,402*

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

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

Particulars	2017-18	*2016-17*
	₹	₹
a) As auditor	**374,150**	*296,784*
b) For taxation matters	**42,548**	*111,294*
c) For other services	**415,369**	*282,661*
Total	**832,067**	*690,739*

NOTE H : NOTES FORMING PART OF ACCOUNTS

1) Corporate Information

L & T Samakhiali Gandhidham Tollway Limited is a Special Purpose Vehicle (SPV) incorporated on 15-02-2010 for the purpose of strengthening and widening thereof to six lanes of existing 4-lane of 56.16 kilometers. Road stretch from KM 306 to KM 362.16 on Samakhiali to Gandhidham section on National Highway No. 8A in the state of Gujarat and operation and maintenance thereof under Concession Agreement dated 17th March, 2010 with the National Highways Authority of India (NHAI). The Concession is for a period of 24 years including the construction period. At the end of the 24 years the entire facility will be transferred to National Highways Authority of India (NHAI). Independent Engineer and Project Director of National Highway Authority of India have recommended for issuance of provisional completion certificate on 28th February 2015 to NHAI head quarters.

2) The Company has taken annual maintanance services for Toll Equipments in foreign currency during the year for ? 18,63,345/- *(previous year ? 10,42,140).*

During the year and previous year the Company does not have any earning in foreign currency.

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

(i) Defined contribution plan:

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

An amount of ₹ 685,350/- (previous year : ₹ 519,957/-) being contribution made to recognised provident fund is recognised as expense and included under Employee benefit expense (Note 18) in the Statement of Profit and loss.

(ii) Defined benefit plans:

a) Features of its defined benefit plans:

Gratuity:

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

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 not 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:

Leave Encashment:	Remarks
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

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

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

iv) Risk to the Plan

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

A Actuarial Risk:

“It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:“Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.“Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

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

B Investment Risk:

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

C Liquidity Risk:

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

D Market Risk:

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

E Legislative Risk:

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

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

Particulars		**Gratuity plan**		**Compensated absences**	
		As at March 31, 2018	*As at March 31, 2017*	**As at March 31, 2018**	*As at March 31, 2017*
		₹	₹	₹	₹
A)	Present value of defined benefit obligation				
	- Wholly funded	517,096	1,142,601	463,298	–
	- Wholly unfunded	–	–	–	908,869
		517,096	1,142,601	463,298	908,869
	Less : Fair value of plan assets	100,601	797,802	1,381,042	–
	Net Liability / (asset)	416,495	344,799	(917,744)	908,869

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*
		₹	₹	₹	₹
1	Current service cost	**184,891**	*234,193*	**159,913**	*188,797*
2	Past service cost and loss/(gain) on curtailments and settlement	**–**	–	**–**	*(104,609)*
3	Net Interest Cost	**17,538**	*30,109*	**14,702**	*69,544*
4	Net value of remeasurements on the obligation and plan assets	**–**	–	**(109,209)**	*(86,167)*
5	Adjustment for earlier years				
	Total Charge to Statement of Profit and Loss	**202,429**	*264,302*	**65,406**	*67,565*

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

d) 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:				
Due to changes in demographic assumptions	**–**	–	**–**	–
Due to changes in financial assumptions	**(15,052)**	*42,876*	**–**	*40,515*
Due to experience adjustments	**73,190**	*25,240*	**–**	*(126,682)*
Return on plan assets excluding amounts included in interest income	**59,419**	*21,752*	**–**	–
Amounts recognized in Other Comprehensive Income	**117,557**	*89,868*	**–**	*(86,167)*

e) Reconciliation of Defined Benefit Obligation:

Particulars	Gratuity plan		Gratuity plan	
	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	**1,142,601**	*781,412*	**908,869**	*945,976*
Add: Current service cost	**184,891**	*234,193*	**159,913**	*188,797*
Add: Interest cost	**76,957**	*58,880*	**59,205**	*69,544*
Add: Contribution by plan participants				
i) Employer	**–**	–	**–**	–
ii) Employee	**–**	–	**–**	–
Add/(less): Actuarial losses/(gains)	**58,138**	*68,116*	**(124,758)**	*(86,167)*
Less: Benefits paid	**945,491**	–	**(539,931)**	*(104,672)*
Add: Past service cost	**–**	–	**–**	*(104,609)*
Closing balance of the present value of defined benefit obligation	**517,096**	*1,142,601*	**463,298**	*908,869*

f) 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*
	₹	₹	₹	₹
Opening value of plan assets	**797,802**			
Interest Income	**59,419**	*28,771*	**44,503**	–
Return on plan assets excluding amounts included in interest income	**(59,419)**	*(21,752)*	**(15,549)**	–
Contributions by employer	**248,290**	*790,783*	**1,394,643**	–
Benefits paid	**(945,491)**	–	**(42,555)**	
Closing value of plan assets	**100,601**	*797,802*	**1,381,042**	–

g) 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	**344,799**	*781,412*	**908,869**	*945,976*
Employee Benefit Expense	**202,429**	*264,302*	**65,406**	*67,565*
Amounts recognized in Other Comprehensive Income	**117,557**	*89,868*	**–**	
	664,785	*1,135,582*	**974,275**	*1,013,541*
Benefits paid by the Company	**–**	–	**(497,376)**	*(104,672)*
Contributions to plan assets	**(248,290)**	*(790,783)*	**(1,394,643)**	
Closing provision in books of accounts	**416,495**	*344,799*	**(917,744)**	*908,869*

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

h) Principal actuarial assumptions at the Balance Sheet date:

Particulars	As at March 31, 2018	As at March 31, 2017
1) Discount rate	**7.30%**	*6.95%*
2) Salary growth rate	**6.00%**	*6.00%*
3) Withdrawal rate	**15% at younger ages reducing to 3% at older age**	*15% at younger ages reducing to 3% at older age*

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

Particulars		Gratuity Plan		Compensated absenses	
Particulars	**Change in Assumptions**	**Impact on Defined Benefit Obligation**		**Impact on Defined Benefit Obligation**	
	Increase/ (Decrease)	**Increase/(Decrease) in Assumptions**		**Increase/(Decrease) in Assumptions**	
	%	₹	%	₹	%
Discount Rate	0.50%	496,774	-3.93%	446,144	-3.70%
	-0.50%	538,818	4.20%	481,620	3.95%
Salary Growth Rate	0.50%	538,989	4.23%	481,761	3.99%
	-0.50%	496,441	-3.99%	445,862	-3.76%

j) The expected contributions to the defined benefit plan in the next annual reporting period (March 31, 2019) is ₹ 2,04,381/-

k) The major categories of plan assets plan assets are as follows :

Particulars	As at March 31, 2018	As at March 31, 2017
Insurer managed funds	**100%**	*100%*
Investments quoted in active markets	**–**	–
Cash and cash equivalents	**–**	–
Unquoted investments	**–**	–
Total	**100%**	*100%*

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	:	Vadodara Bharuch Tollway Limited
		L&T Sambhalpur-Rourkela Tollway Limited
		L&T IDPL Indvit Services Limited
		L&T Transportation Infrastructure Limited
		Panipat Elevated Corridor Limited

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

		Ahmedabad Maliya Tollway Limited
		L&T Halol Shamlaji Tollway Limited
		L&T Rajkot-Vadinar Tollway Limited
		Devihalli Hassan Tollway Limited
		Devihalli Hassan Tollway Limited
		L&T BPP Tollway Limited
		Krishnagiri Thopur Toll Road Limited
Key Managerial Personnel	:	Manager- S. Elangovan (up to 26.11.2017)
		CFO- Nandhini M

b) Disclosure of related party transactions:

Nature of transaction/relationship	**2017 – 18**	*2016 – 17*
	₹	₹
1. Purchase of goods and services incl. taxes		
Holding company, L&T Infrastructure Development Projects Ltd.	25,607,853	21,431,168
Ultimate Holding company, Larsen & Toubro Limited	4,089,754	*273,378,637*
2. Purchase Property Plant & Equipments		
Fellow subsidiaries, including:		
Ahmedabad - Maliya Tollway Limited	62,922	–
L&T Rajkot – Vadinar Tollway Limited	–	390,268
L&T Halol Shamlaji Tollway Limited	**34,967**	*1*
PNG Tollway Limited	1,746,919	2,908,132
Panipat Elevated Corridor Limited	–	19,879
3. Sale of Property Plant & Equipments		
Holding company, L&T Infrastructure Development Projects Ltd.	–	21,706
Fellow subsidiaries:		
Ahmedabad - Maliya Tollway Limited	1,259,436	485,669
L&T Halol Shamlaji Tollway Limited	87,955	30,955
L&T Sambalpur-Rourkela Tollway Limited	542,461	–
L&T Rajkot – Vadinar Tollway Limited	63,549	–
L&T Transportation Infrastructure Limited	–	1
4. Interest accrued on Unsecured Loan		
Holding company, L&T Infrastructure Development Projects Ltd.	–	11,449,116
5. Reimbursement of expenses charged from		
Holding company, L&T Infrastructure Development Projects Ltd.	–	
Fellow subsidiaries		
Ahmedabad - Maliya Tollway Limited	7,323,309	21,707
L&T Halol Shamlaji Tollway Limited	–	74,805
L&T BPP Tollway Limited	–	452,223
6. Reimbursement of expenses charged to		
Subsidiaries & fellow subsidiaries, including		
Ahmedabad - Maliya Tollway Limited	13,381	–
L&T BPP Tollway Ltd	378,075	–
L&T Sambalpur-Rourkela Tollway Limited	217,350	–
L&T Rajkot – Vadinar Tollway Limited	1,685,458	381,226
L&T Halol Shamlaji Tollway Limited	–	1,059,335

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Nature of transaction/relationship	2017 – 18	*2016 – 17*
	₹	₹
7. Unsecured loans received		
Vadodara Bharuch Tollway Limited	62,000,000	88,500,000
"L&T Transportation Infrastructure Limited“"	149,300,000	–
L&T IDPL Indvit Services Limited	700,000,000	–
8. Refundable deposit received for Director's Nomination		
Holding company, L&T Infrastructure Development Projects Ltd.	–	200,000
9. Conversion of Unsecured Loan in to Preference Shares		
L&T Infrastructure Development Projects Limited	147,182,230	485,257,800
L&T IDPL Indvit Services Limited	700,000,000	–

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

(Amount in ₹)

Particulars	**Amounts due (to) / from**	*Amounts due (to) / from*
	As at March 31, 2018	*As at March 31, 2017*
Ultimate Holding Company		
Larsen & Toubro Limited	**(213,015,020)**	*(107,864,429)*
Holding Company		
L&T Infrastructure Development Projects Limited	**(687,721)**	*(2,299,793)*
Fellow Subsidiaries		
L&T Transportation Infrastructure Limited	**(149,300,000)**	–
Vadodara Bharuch Tollway Limited	**(150,500,000)**	*(88,500,000)*
PNG Tollway Limited	**–**	*1,746,919*

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. Here 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: ₹ 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

(Amount in ₹)

Particulars	**As at March 31, 2018**	*As at March 31, 2017*
Short term employee benefits	**2,120,342**	*3,168,652*
Post employment gratuity and medical benefits	**–**	–
Other long term benefits	**–**	–
Termination benefits	**–**	–
Share based payment transactions	**–**	–

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

The Company has not recognised any deferred tax liability in the books of accounts as the timing difference arising on account of differences in tax liability as per Income tax act,1961 and books of accounts falls within the tax holiday period under Section 80 IA of the Income Tax, 1961.

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".

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Particulars		2017-18 ₹	*2016-17* ₹
Basic earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	(1,047,919,112)	(1,070,494,159)
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	80,540,000	80,540,000
Basic earnings per equity share (₹)	A / B	(13.01)	(13.29)

Potential equity shares that will arise on conversion of Compulsary Convertible Cumulative Preference Shares are resulting into anti dilution of EPS in the current year. Hence they have not been considered in the computation of diluted EPS in accordance with Ind AS 33 "Earnings Per Share."

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

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

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

a) Nature of 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.

b) Movement in provisions:

Particulars	As at 31 March 2018	*As at 31 March 2017*
Opening balance	**193,631,478**	*94,300,000*
Additional provision	**98,700,000**	*89,200,000*
Utilised	**–**	–
Unused amounts reversed	**–**	–
Unwinding of discount and changes in discount rate	**20,803,532**	*10,131,478*
Closing balance	**313,135,010**	*193,631,478*

c) Contingent liabilities :

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

11) Disclosure pursuant to Ind AS 11 - "Construction Contracts"

Amount of contract revenue recognised in the year : ₹ Nil/-

Method used to recognise the constructions revenue - Work excuted during the year and remaining to be excuted

12) Disclosure pursuant to Ind AS 38 - " Intangible Assets"

Intangible asset	Useful Life	Amortisation method used	Internally generated or Acquired
Toll Equipments	07 Years	Straight Line Method	
Toll collection rights	20 Years	Revenue Based	

13) Disclosures pursuant to Ind AS 1 - "Presentation of Financial Statements"

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

14) 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	**4A**	**–**	**–**	**1,698,454**	–	–	*1,617,029*
Advance to Related Parties	**5**	**–**	**–**	**–**	–	–	*1,746,919*
Other advances	**4A**	**–**	**–**	**31,500,124**	–	–	*28,953,995*
Investments	**6**	**35,835,862**	**–**	**–**	–	–	–
Total Financial Asset		**35,835,862**	**–**	**33,198,578**	–	–	*32,317,943*
Financial liability							
Term Loan from Banks	**10**	**–**	**–**	**7,519,040,870**	–	–	*8,647,897,593*
Loans from related parties	**10**	**–**	**–**	**299,800,000**	–	–	*220,529,465*
Revenue Share Payable to NHAI (Including Interest)	**10**	**–**	**–**	**8,212,482,692**	–	–	*7,213,674,364*
Other Current Financial Liabilities	**11**	**–**	**–**	**589,566**	–	–	–
Trade Payables	**14**	**–**	**–**	**11,085,302**		–	*17,186,269*
Total Financial Liabilities		**–**	**–**	**16,042,998,430**	–	–	*16,099,287,691*

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.

15) Fair value of Financial asset and liabilties at amortized cost

Particular	**Note no.**	**As at March 31, 2018**		*As at March 31, 2017*	
		Carrying amount	**Fair value**	*Carrying amount*	*Fair value*
Financial Assets					
Security Deposits	**4A**	**1,698,454**	**1,698,454**	*1,617,029*	*1,617,029*
Other advances	**4A**	**31,500,124**	**31,500,124**	*28,953,995*	*28,953,995*
Advance to Related Parties	**5**	**–**	**–**	*1,746,919*	*1,746,919*
Total Financial Assets		**33,198,578**	**33,198,578**	*32,317,943*	*32,317,943*
Financial liability					
Term Loan from Banks	**10**	**7,519,040,870**	**7,519,040,870**	*8,647,897,593*	*8,647,897,593*
Loans from related parties	**10**	**299,800,000**	**299,800,000**	*220,529,465*	*220,529,465*
Revenue Share Payable to NHAI (Including Interest)	**10**	**8,212,482,692**	**8,212,482,692**	*7,213,674,364*	*7,213,674,364*
Other Current Financial Liabilities	**11**	**589,566**	**589,566**	–	–
Trade Payables	**14**	**11,085,302**	**11,085,302**	*17,186,269*	*17,186,269*
Total Financial Liabilities		**16,042,998,430**	**16,042,998,430**	*16,099,287,691*	*16,099,287,691*

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.

The carrying value of Revenue Share Payable to NHAI(Including Interest) reasonably approximates its fair value, hence their carrying value is considered to be same as their fair value.

Refer Note H(17) for information on Financial Asset pledged as security

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

16) Fair Value Measurement

Fair Value Measurement of Financial asset and Financial liabilties

Fair value hierarchy

As at March 31, 2018

Financial Asset & Liabilites Measured at FV - Recurring FVM	**Note No.**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial asset measured at FVTPL					
Investments in Mutual Funds	6	35,835,862	–	–	35,835,862
Total of Financial Assets		**35,835,862**	**–**	**–**	**35,835,862**
Financial Liabilities measured at FVTPL		–	–	–	–
Total of Financial Liabilities		**–**	**–**	**–**	**–**
Financial Asset & Liabilites Measured at Amortized cost for which fair values are to be disclosed	**Note No.**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Security Deposits	5	–	–	1,698,454	1,698,454
Other Advances	5		–	31,500,124	31,500,124
Total of Financial Assets		**–**	**–**	**1,698,454**	**33,198,578**
Financial Liabilities					
Term Loan from Banks	10	–	–	7,519,040,870	7,519,040,870
Loans from related parties	10	–	–	299,800,000	299,800,000
Revenue Share Payable to NHAI (Including Interest)	11	–	–	8,212,482,692	8,212,482,692
Other Current Financial Liabilities	11	–	–	589,566	589,566
Trade Payables	14	–	–	11,085,302	11,085,302
Total Financial liabilties		**–**	**–**	**16,042,998,430**	**16,042,998,430**

As at March 31, 2017

Financial Asset & Liabilites Measured at FV - Recurring FVM		**Level 1**	**Level 2**	**Level 3**	**Total**
Financial asset measured at FVTPL					
Investments in Mutual Funds	6	–	–	–	–
Total of Financial Assets		–	–	–	–
Financial Liabilitieis measured at FVTPL		–	–	–	–
Total of Financial Liabilities		–	–	–	–
Financial Asset & Liabilites Measured at Amortized cost for which fair values are to be disclosed		**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Security Deposits	4A	–	–	1,617,029	1,617,029
Advance to Related Parties	4A	–	–	1,746,919	1,746,919
Other advances	4A	**–**	**–**	**28,953,995**	**28,953,995**
Total Financial Assets		–	–	32,317,943	32,317,943
Financial Liabilities					
Term Loan from Banks	10	–	–	8,647,897,593	8,647,897,593
Loans from related parties	10	–	–	220,529,465	220,529,465
Revenue Share Payable to GSRDC (Including Interest)	11	–	–	7,213,674,364	7,213,674,364
Trade Payables	14	–	–	17,186,269	17,186,269
Total Financial Liabilities		–	–	16,099,287,691	16,099,287,691

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Valuation technique and inputs used to determine fair value

Financial assets and liabilities	Valuation method	Inputs
Financial assets		
Investment in Mutual Funds	Market Approach	NAV
Security deposit	Income	Cash flow
Financial liabilities		
Term Loan from Banks	Income	Current Bank Rate
Loans from Related parties	Income	Current Bank Rate
Revenue Share Payable toNHAI (Including Interest)	Income	Cash flow

17) Asset pledged as security

Particulars	Note no	31.03.2018	*31.03.2017*
Non Financial Asset			
Property, Plant & Equipment	1	**4,981,200**	*10,450,758*
Other Non Financial Asset	5	**–**	*–*
Financial Asset			
Cash and Cash Equivalents	7	**27,075,110**	*14,519,389*
Investments In Mutual Fund	6	**35,835,862**	*–*
Other Financial Asset	4A	**33,198,578**	*32,317,943*
TOTAL		**101,090,750**	*57,288,090*

18) 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 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.

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

Particulars	31.03.2018	*31.03.2017*	*31.03.2017*
Senior Debt from Banks - Variable rate borrowings	**7,519,040,870**	*8,647,897,593*	*8,927,564,115*

Sensitivity analysis based on average outstanding Senior Debt

Interest Rate Risk Analysis	Impact on profit/ loss after tax	
	FY 2017-18	FY 2016-17
Increase or decrease in interest rate by 25 base point	20,208,673	21,969,327

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

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

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	01.04.2016
Investments in Mutual Funds	6	35,835,862	–	–

Sensitivity Analysis

	Impact on profit/ loss after tax	
	31.03.2018	31.03.2017
Increase or decrease in NAV by 2%	358,359	–

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

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 bank borrowings and trade and other payables.

The company measures risk by forecasting cash flows.

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

The following are the contractual maturities of financial liabilities

As at March 31, 2018	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Senior Debt from Banks	7,519,040,870	563,700,000	845,499,996	3,194,199,972	2,915,640,902
Trade Payables	11,085,302	11,085,302	–	–	–
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					
Senior Debt from Banks	8,647,897,593	281,800,000	563,700,000	2,818,400,000	4,983,997,593
Trade Payables	17,186,269	17,186,269	–	–	–
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 generally does not have trade receivables as collection of toll income coincide as and when the traffic passes through toll - plazas. . Hence, the management believes that the company is not exposed to any credit risk.

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

i Description and classification of the arrangment

L & T Samakhiali Gandhidham Tollway Limited is a Special Purpose Vehicle (SPV) incorporated on 15-02-2010 for the purpose of strengthening and widening thereof to six lanes of existing 4-lane of 56.16 kilometers. Road stretch from KM 306 to KM 362.16 on Samakhiali to Gandhidham section on National Highway No. 8A in the state of Gujarat and operation and maintenance thereof under Concession Agreement dated 17th March, 2010 with the National Highways Authority of India (NHAI). The Concession is for a period of 24 years including the construction period. At the end of the 24 years the entire facility will be transferred to National Highways Authority of India (NHAI). Independent Engineer and Project Director of National Highway Authority of India have recommended for issuance of provisional completion certificate on 28th February 2015 to NHAI head quarters.

ii Significant Terms of the arrangements

(a) Revision of Fees:

Fees shall be revised annually on April 01 as per Schedule R of the Concession Agreement dated March 17, 2010.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(b) Concession Fee & Additional Concession Fees:

As per Article 26 of the Concession Agreement, the company is liable to pay Concession Fee ₹ 1 every year. The company is also liable of payment of Premium ₹ 58.41 Crs on the appointed date and 5% increase in each year.

iii Rights of the Company for use Project Highway

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

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

iv Obligation of the Company

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

b The company is under obligation to carry out the routine and periodic maitenance of Project Highway as per Schedule K of the CA.

v 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.

vi Details of Termination

CA can be terminated on account of default of the company or NHAI in the circumstances as specified under article 37 of the CA.

vii Significant Changes in the terms Original Concession Agreement till 31st March 2018.

In view of Shortfall on toll collection, NHAI vide letter dated 10th November 2015 has given in principle approval for deferment of premium payment and interest outstanding on premium as on 31st March 2018 and for premium relating to the future years till 2020-21.

NOTE I : SIGNIFICANT ACCOUNTING POLICIES

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

1. Basis of preparation

(a) Compliance with IndAS

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

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

(b) Basis of measurement

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

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

(c) Use of estimates and judgements

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

(d) Measurement of fair values

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

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

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

2 Presentation of financial statements

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

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

3 Revenue recognition

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

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

a) Toll collection from users of the infrastructure facility constructed by the Company under the Service Concession Arrangement is recognised in the period of collection of toll / user fee which coincides with the usage of the infrastructure facility net of revenue share payable to NHAI / state authorities. Income from sale of smart cards is recognised on cash basis.

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

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

d) 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.

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

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

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

4 Inventories

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

5 Cash and bank balances

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

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

6 Cash flow statement

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

(a) transactions of a non-cash nature;

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

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

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

7 Property, plant and equipment (PPE)

A. Domestic Companies

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

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

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

The estimated useful lives of the assets are as follows:

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

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

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

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.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

B. Foreign Companies

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

8 Amortisation of intangible assets

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

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

9 Exceptional items

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

10 Intangible assets

a) Rights under Service Concession Arrangements

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

Toll Projects (Right to charge users)

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

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

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

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

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

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

b) Other intangible assets

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

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

11 Foreign currency transactions and translations

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

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

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

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

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

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

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

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

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

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

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

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

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

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

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

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

12 Government grants

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

13 Investments

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

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

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

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

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

14 Employee benefits

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

(i) Short term employee benefits

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

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

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

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

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

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

(ii) Post employment benefits

(a) Defined contribution plans:

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

(b) Defined benefit plans:

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

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

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

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

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

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

(iii) Other long term employee benefits:

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

(iv) Termination benefits

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

15 Borrowing costs

Borrowing costs include interest calculated using the effective interest method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the 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.

16 Segment reporting

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

The accounting policies adopted for segment reporting are as per Indian Accounting Standard 108 "Operating Segments" (IND AS 108). Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

to the operating activities of the segment. The identification of operating segments and reporting of amounts is consistent with performance assessment and resource allocation by the management.

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

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

17 Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

Finance leases:

(a) Property, plant and equipment acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

(b) Property, plant and equipment given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

Operating leases:

(a) Property, plant and equipment acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

(b) Property, plant and equipment leased out under operating leases are continued to be capitalised by the Company. Rental income is recognised on a straight-line basis over the term of the relevant lease.

18 Earnings per share

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

19 Income taxes

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

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

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

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

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

20 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortized over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the higher of the fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimated future cash flows have not been adjusted.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

21 Provisions, contingent liabilities and contingent assets

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

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

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

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

22 Financial Instruments

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

a) Financial Assets

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

Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost (unless the same are designated as fair value through profit or loss (FVTPL)):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.““Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (unless the same are designated as fair value through profit or loss)
- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Interest income, dividend income and exchange difference (on debt instrument) on FVTOCI debt instruments is recognised in profit or loss and other changes in fair value are recognised in OCI and accumulated in other equity. On disposal of debt instruments FVTOCI

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

the cumulative gain or loss previously accumulated in other equity is reclassified to profit & loss. However in case of equity instruments at FVTOCI cumulative gain or loss is not reclassified to profit & loss on disposal of investments.

A financial asset is primarily derecognised when:

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

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

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

b) Financial Liabilities

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

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

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

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

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

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

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

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

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

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

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

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

Impairment of financial assets (Expected Credit Loss Model)

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset and financial guarantees not designated at FVTPL““Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e.. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument, through the expected life of the financial instrument.““The Company measures the loss allowance for a financial instrument at an amount equal to the life-time expected credit losses if the credit risk on that financial instrument has increase significantly since initial recognition. If the credit risk has not increased significantly, the Company measures the loss allowance at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the life-time cash shortfalls that will result if the default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

next 12 months.““When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of a change in the amount of the expected credit loss. To achieve that, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. “

23 Insurance claims

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

24 Service tax input credit

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

25 Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

26 Claims

Claims against the Company not acknowledged as debts are disclosed under contingent liabilities. Claims made by the company are recognised as and when the same is approved by the respective authorities with whom the claim is lodged.

27 Commitments

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

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

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

(iii) Funding related commitm ent 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's Regn. No. 004661N

R. K. AGRAWAL
Partner
Membership No. 085671

Place: New Delhi
Date: April 20, 2018

For and on behalf of the Board

SRIDHAR RAMAKRISHNAN
Company Secretary
M. No. A8840

NANDHINI M
Chief Financial Officer

T.S.VENKATESAN
Director
DIN: 01443165

ESTHER MALINI
Director
DIN: 07124748

Place: New Delhi
Date: April 20, 2018