

## 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	(250.62)	(247.82)
Less: Depreciation, amortization, impairment and obsolescence	51.97	43.38
Profit / (Loss) before exceptional items and tax	(302.59)	(291.19)
Add: Exceptional Items	–	–
Profit / (Loss) before tax	(302.59)	(291.19)
Less: Provision for tax	–	–
Profit / (Loss) for the year carried to the Balance Sheet	(302.59)	(291.19)
Add: Other comprehensive income/(loss)	(0.11)	0.07
Add: Balance brought forward from previous year	(527.28)	(236.16)
Balance to be carried forward	(829.99)	(527.28)

### CAPITAL & FINANCE

The Company has not issued and allotted share capital during the year. The Company has taken an unsecured loans from related parties amounting to ₹ 13 Crore during the financial year 2017-18.

### CAPITAL EXPENDITURE

As at March 31, 2018 the gross fixed and intangible assets including leased assets, stood at ₹ 4,747.50 crore and the net fixed and intangible assets, including leased assets, at ₹ 4,617.05 crore. Capital Expenditure during the year amounted to ₹ 0.49 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 24,71,99,994 equity shares @ ₹ 10/- each are in dematerialized form and 6 equity share @ ₹ 10/- each are held 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. All related party transactions were at arms' – length basis and in the ordinary course of business. Details of Related Party Transactions are provided in Annexure I (AOC-2).

### STATE OF COMPANY AFFAIRS

The gross revenue and other income for the financial year under review were ₹ 362.15 crore as against ₹ 311.70 crore for the previous financial year registering an increase of 16.40%. The loss after tax was ₹ 302.60 crore as against ₹ 291.19 crore respectively for the previous financial year, registering an increase of 3.93%.

### AMOUNT TO BE CARRIED TO RESERVE

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

### DIVIDEND

As the Company does not have distributable profits hence 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**

The Company had entered into various agreement with M/s. LTIDPL IndvIT Services Limited & M/s. L&T Infrastructure Development Projects Limited (Holding Company) as required under SEBI (Infrastructure Investment Trust) Regulations, 2014.

The entire stake held by the Holding Company was transferred to IndInfravit Trust during May 2018, due to which the ownership of the Company has changed.

**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 ₹ 41.94 lakh towards payment against annual maintenance services for toll equipment.

**RISK MANAGEMENT POLICY**

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

**CORPORATE SOCIAL RESPONSIBILITY**

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

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

Mr. Manoj Kumar Singh, Director who had retired by rotation at the Annual General Meeting held on September 28, 2017, was re-appointed as Director at the said Meeting.

Mr. Manoj Kumar Singh had resigned as Director of the Company with effect from December 31, 2017

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	Mr. Mathew George	Director	07402208
3	Ms. Samyuktha Surendran	Independent Director	07138327
4	Dr. A.Veeraragavan	Independent Director	07138615

Mr. Sharad Pancholy had resigned as the Manager of the Company with effect from July 13, 2017 and Mr. Shailesh Kumar Shukla was appointed as Manager with effect from July 17, 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	Mr. P Padmanabhan	Chief Financial Officer	October 28, 2014
2	Mr. Shailesh Kumar Shukla	Manager	July 17, 2017

**NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

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

During the year 5 (five) Board Meetings were held as detailed hereunder:

Date	Strength	No. of Directors present
April 27, 2017	5	4
July 17, 2017	5	4
October 21, 2017	5	3
January 19, 2018	4	3
March 20, 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 Dr. A.Veeraragavan, Ms. Samyuktha Surendran and Mr. T.S.Venkatesan.

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

Date	Strength	No. of Directors present
April 27, 2017	3	3
July 17, 2017	3	2
October 21, 2017	3	2
January 19, 2018	3	2

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

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

Member can view the details of the whistle blower policy under the said framework of the Holding Company on its website [www.Intidpl.com](http://www.Intidpl.com).

## COMPANY POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION

The Company had constituted the Nomination & Remuneration Committee in accordance with the requirements of the Act read with the Rules made thereunder comprising of Dr. A.Veeraragavan, Ms. Samyuktha Surendran and Mr. T.S.Venkatesan.

During the year, 1 (one) Meeting of the Nomination & Remuneration Committee were held as detailed hereunder:

Date of Meetings	Committee strength	No. of Members Present
July 17, 2017	3	2

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

## DECLARATION OF INDEPENDENCE

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

## ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

#### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS**

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

#### **DIRECTORS RESPONSIBILITY STATEMENT**

The Board of Directors of the Company confirms that:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the Annual Accounts on a going concern basis.
- e) The Directors have laid down an adequate system of internal financial control with respect to reporting on financial statements and the said system is operating effectively.
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

#### **PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS**

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

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

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

#### **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 in the 4th Annual General Meeting held on September 22, 2015 for the Financial Year 2015-16 had appointed M/s. Sharp & Tannan, Chartered Accountants, (Firm Reg no: 003792S), Chennai as Statutory Auditors of the Company to hold office until the conclusion of the 9th Annual General Meeting of the Company to be held during the year 2020.

#### **SECRETARIAL AUDITOR**

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

The Secretarial Audit Report to the shareholders for the financial year 2017-18, issued by Mr. M Alagar (C.O.P No.8196) dated July 10, 2018 is unqualified and is attached as Annexure III to this Report.

#### **COST AUDITOR**

Mr. K.Suryanarayanan, Cost Accountant (Membership No.24946), 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 October 17, 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**

*Director*

*DIN: 01443165*

**MATHEW GEORGE**

*Director*

*DIN: 07402208*

*Place : Chennai*

*Date : July 16, 2018*

## **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 Companies Act, 2013 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 material contracts or arrangement or transactions at arm's length basis

- a. There were no contracts or arrangements entered into by the Company with related party(s) during the FY 2017-18 which required shareholders' approval as per Sec. 188(1) of the Companies Act, 2013
- b. The details of related party transactions during the FY 2017-18 form part of the financial statements as per Ind AS 24 and the same is given in Note A(5)

For and on behalf of the Board

Place : Chennai  
Date : July 16, 2018

**T.S.VENKATESAN**  
Director  
DIN: 01443165

**MATHEW GEORGE**  
Director  
DIN: 07402208

**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	U45203TN2011PLC080786
Registration Date	25/05/2011
Name of the Company	L&T BPP 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	99.99%	2(46)

**IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)****i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held as on April 1, 2017				No. of Shares held as on March 31, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>	–	–	–	–	–	–	–	–	–
<b>1) Indian</b>	–	–	–	–	–	–	–	–	–
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	165124998	82075000*	247199998	99.99	247199994	6*	247200000	100	0
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other....	–	–	–	–	–	–	–	–	–
<b>Sub-total (A) (1):-</b>	<b>165124998</b>	<b>82075000*</b>	<b>247199998</b>	<b>99.99</b>	<b>247199994</b>	<b>6*</b>	<b>247200000</b>	<b>100</b>	<b>0</b>

Category of Shareholders	No. of Shares held as on April 1, 2017				No. of Shares held as on March 31, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>165124998</b>	<b>82075000*</b>	<b>247199998</b>	<b>99.99</b>	<b>247199994</b>	<b>6*</b>	<b>247200000</b>	<b>100</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1):-</b>	-	-	-	-	-	-	-	-	-
<b>2) Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2	-	2	0.01	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (2):-</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Public shareholding (B) = (B)(1) + (B)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>165125000</b>	<b>82075000*</b>	<b>247200000</b>	<b>100</b>	<b>247199994</b>	<b>6*</b>	<b>247200000</b>	<b>100</b>	<b>-</b>

\*Including shares held by individuals jointly with L&T Infrastructure Development Project Limited.



## (ii) Shareholding of Promoters

SI 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 Share	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	L&T IDPL	247199992	99.99	–	247199994	100	–	–
2	Mr.Krishnamurthy Venkatesh jointly with L&T IDPL	1	0	–	1	0	–	–
3	Mr. T.S. Venkatesan jointly with L&T IDPL	1	0	–	1	0	–	–
4	Mr. Karthikeyan TV jointly with L&T IDPL	1	0	–	1	0	–	–
5	Dr. Esther Malini 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. P. G. Suresh Kumar jointly with L&T IDPL	1	0	–	1	0	–	–
	<b>Total</b>	<b>247199998</b>	<b>99.99</b>	<b>–</b>	<b>247200000</b>	<b>100</b>	<b>–</b>	<b>–</b>

## (iii) Change in Promoters' Shareholding

S. No.	For Each Promoter	No. of shares	% of total shares of the company	Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company
1.	L&T Infrastructure Development Projects Limited				
	As on April 1, 2017	247199992	99.99	247199992	99.99
	Share Transfer from Mr. J. Subramanian on March 19, 2018	2	0.01	247199994	0.01
	As on March 31, 2018	247199994	100	247199994	100

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

S. No.	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company
1.	J. Subramanian				
	As on April 1, 2017	2	0.01	2	0.01
	Share Transfer to L&T IDPL on March 19, 2018	(2)	(0.01)	–	–
	As on March 31, 2018	–	–	–	–

## (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 of the company	Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company
1.	Mr. T.S. Venkatesan jointly with L&T IDPL				
	As on April 1, 2017	1	0	1	0
	Share Transfer to L&T IDPL on March 19, 2018	–	–	–	–
	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
<b>As on April 1, 2017</b>			
i) Principal Amount	1821,14,06,310	27,97,47,50,363	4618,61,56,673
ii) Interest due but not paid	–	–	–
iii) Interest accrued but not due	–	26,49,81,423	26,49,81,423
<b>Total (i + ii + iii)</b>	<b>1821,14,06,310</b>	<b>2823,97,31,786</b>	<b>4645,11,38,096</b>
<b>Changes during the financial year</b>			
Addition	–	361,96,36,674	361,96,36,674
Reduction	(36,46,21,174)	(135,25,33,333)	(171,71,54,507)
<b>Net Change</b>	<b>(36,46,21,174)</b>	<b>226,71,03,341</b>	<b>190,24,82,167</b>
<b>As on March 31, 2018</b>			
i) Principal Amount	1784,67,85,136	2990,50,91,953	4775,18,77,089
ii) Interest due but not paid	–	–	–
iii) Interest accrued but not due	–	60,17,43,174	60,17,43,174
<b>Total (i + ii + iii)</b>	<b>1784,67,85,136</b>	<b>3050,68,35,127</b>	<b>4835,36,20,263</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

S. No.	Particulars of Remuneration	Manager: Mr. Shailesh Kumar Shukla	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.16*	0.16*
	(b) Value of perquisites u/s 17(2) of the 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	–	–
	<b>Total</b>	<b>0.16</b>	<b>0.16</b>
	<b>Ceiling as per the Act</b>	<b>1.73</b>	<b>1.73</b>

\*Remuneration with effect from 17.07.2017

**B. Remuneration to other directors:**

(Amount in ₹)

S. No	Particulars of Remuneration	Name of Directors		Total Amount
<b>1</b>	<b>Independent Directors</b>	<b>Dr A. Veeraraghavan</b>	<b>Ms. Samyuktha Surendran</b>	
	Fee for attending Board / Committee Meeting	1,85,000	1,50,000	<b>3,35,000</b>
	Commission	–	–	–
	Others	–	–	–
	<b>Total (1)</b>	<b>1,85,000</b>	<b>1,50,000</b>	<b>3,35,000</b>
<b>2.</b>	<b>Other Non – Executive Directors</b>			
	<b>1) Mr. T.S.Venkatesan</b>			
	<b>2) Mr. Mathew George</b>			
	No fee for attending Board Meeting / Committee Meeting and no Commission was paid	–	–	–
	<b>Total (2)</b>	–	–	–
	<b>Total = (1 + 2)</b>	<b>1,85,000</b>	<b>1,50,000</b>	<b>3,35,000</b>
	<b>Overall Ceiling as per the Act</b>	<b>Sitting fees not more than ₹ 1,00,000 per meeting of Board or Committee.</b>		

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

No remuneration was paid to Key Managerial Personnel other than Manager. Mr. P Padmanabhan, CFO is an employee of the Holding Company.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

For and on behalf of the Board

**T.S.VENKATESAN**

Director

DIN: 01443165

**MATHEW GEORGE**

Director

DIN: 07402208

Place : Chennai

Date : July 16, 2018

## **ANNEXURE III**

### **FORM NO. MR-3**

#### **SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**

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

To,  
The Members,  
L&T BPP Tollway Limited

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

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

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

- (i) The Companies Act, 2013('Act') and the rules made thereunder, as amended from time to time;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder, as amended from time to time –Not Applicable to the Company during the Audit period;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, as amended from time to time;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as amended from time to time - Not Applicable to the Company during the Audit period;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as amended from time to time:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- Not Applicable to the Company during the Audit period;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015- Not Applicable to the Company during the Audit period;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable to the Company during the Audit period;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- Not Applicable to the Company during the Audit period;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable to the Company during the Audit period;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - To the extent applicable to the company;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable to the Company during the Audit period;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable to the Company during the Audit period;

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

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

I further report that based on the explanation given, information received, and process explained, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable labour laws, rules, regulations and guidelines. The Company has confirmed compliance with the following labour and industrial laws;

- a) The Electricity Act, 2003 and Electricity Rules, 1956
- b) Forest Conservation Act, 1980
- c) Information Technology Act, 2000
- d) Motor Vehicles Act, 1988

- e) The Central Electricity Authority (Safety Requirements for Construction, Operation and Maintenance of Electrical Plants and Electric Lines) Regulation 2011
- f) The Central Electricity Authority(Technical Standards for Connectivity of the Grid)Regulation,2007
- g) The Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008
- h) The Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009
- i) The Central Electricity Regulatory Commission(Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters)Regulations,2009
- j) The Building and Other Construction Workers' (Regulation Of Employment And Conditions Of Service) Central Rules, 1998
- k) The National Highways (Collection of Fees by any Person for the use of section of national highways/ Permanent Bridge/ Temporary Bridge on National Highways)Rules,1997
- l) The Personal Injuries (Compensation) Insurance Act, 1963
- m) The Prohibition Of Smoking In Public Places Rules, 2008
- n) The Works of Licensees Rules, 2006

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

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

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

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

For **M.Alagar & Associates**

**M. Alagar**  
FCS No: 7488  
COP No.: 8196

Place: Chennai

Date: July 10, 2018

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

#### **'Annexure A'**

To,  
The Members

Our report of even date is to be read along with this letter.

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

For **M.Alagar & Associates**

**M. Alagar**  
FCS No: 7488  
COP No.: 8196

Place: Chennai

Date: July 10, 2018

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF L&T BPP TOLLWAY LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **L&T BPP Tollway Limited** (the 'Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of changes in Equity and the Statement of Cash Flows 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018 and its loss, 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 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 Annexure 'A' to this Report, a Statement on the matters specified in para 3 and 4 of the said Order, to the extent applicable.
- 2) As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards notified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015;
  - (e) on the basis of the written representations received from the directors as on 31 March 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; and
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B';

- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- the Company has disclosed the impact of pending litigation on its financial position in its financial position – Refer Note 22 to the financial statement;
  - the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For SHARP & TANNAN**  
Chartered Accountants  
Firm's Registration No. 003792S

**D. VINOD KUMAR**  
Partner  
Membership No. 224549

Place: Chennai  
Date: April 19, 2018

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure A referred to in paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of the Independent Auditor's report to the members of L&T BPP Tollway Limited on the Financial Statements for the year ended 31 March 2018, we report that:

- The Company is maintaining proper records showing full particulars, including quantitative details and situation of its property, plant and equipment.
  - Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
  - According to the information and explanations given to us and the records of the Company examined by us, the title deeds of immovable properties are held in the name of the Company.
- The Company does not carry any inventory in its books and hence reporting under clause 3(ii)(a), (b) and (c) of the Order does not arise.
- According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, reporting under clauses 3 (iii) (a), (b) and (c) of the Order does not arise.
- According to the information and explanations given to us, the Company has not advanced any loan, given any guarantee or provided any security to the parties covered under Section 185 and the Company has not given any loan or made investment covered under section 186 of the Companies Act, 2013. Accordingly, reporting under clause 3 (iv) of the Order does not arise.
- According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Accordingly, reporting under clause 3 (v) of the Order does not arise.
- The Central Government has specified maintenance of cost records under section 148(1) of the Companies Act, 2013 read together with Companies (Cost and Audit) Rules, 2014 (as amended) for the operations of the Company for the current financial year. We have broadly reviewed the books of account and records maintained by the Company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, goods and service tax, duty of customs, value added tax, cess and other statutory dues applicable to it during the year with appropriate authorities. According to the information and explanations given to us there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess or other statutory dues outstanding as at 31 March 2018 for a period of more than six months from the date they became payable.
  - According to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax at March 31, 2018 which have not been deposited on account of a dispute pending are as follows:

Name of the statute	Nature of disputed dues	Total demand (₹)	Amount not deposited (₹)	Period to which the dispute relates	Forum where disputes are pending
Income Tax Act 1961	Income from mutual funds and interest income netted off against interest capitalised in books added to taxable income by AO and difference in utility shifting income between Form 26AS and books added to taxable income by AO	366,230	366,230	AY 2013-14	Commissioner of Income Tax (Appeals)

Name of the statute	Nature of disputed dues	Total demand (₹)	Amount not deposited (₹)	Period to which the dispute relates	Forum where disputes are pending
Income Tax Act 1961	Rejection of utility shifting expenses deducted against income from mutual funds and interest income	1,784,580	1,784,580	AY 2014-15	Commissioner of Income Tax (Appeals)

There are no dues of sales tax, service tax, goods and service tax, duty of excise, duty of customs, Value added tax and Cess as at 31 March 2018 which have not been deposited on account of any dispute.

- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a bank or dues to debenture holders during the year. The Company did not have any loan or borrowing from any financial institution or Government.
- (ix) The Company has neither taken any term loans during the year nor has raised any money by way of initial public offer or further public offer (including debt instruments). Accordingly reporting on clause 3(ix) of the Order does not arise.
- (x) To the best of our knowledge and during the course of our examination of the books and records of the Company and according to the information and explanations given to us, no instances of fraud by the Company, and no material instances of frauds on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company. Accordingly reporting on clause 3(xii) of the Order does not arise.
- (xiii) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable Accounting Standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under clause 3 (xiv) of the Order does not arise.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with the directors during the year. Accordingly, reporting under clause 3 (xv) of the Order does not arise.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3 (xvi) of the Order does not arise.

**For SHARP & TANNAN**

*Chartered Accountants*

*Firm's Registration No. 003792S*

**D. VINOD KUMAR**

*Partner*

*Membership No. 224549*

*Place: Chennai*

*Date: April 19, 2018*

## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both



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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 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 31 March 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 issued by the ICAI.

**For SHARP & TANNAN**  
Chartered Accountants  
Firm's Registration No. 003792S

**D. VINOD KUMAR**  
Partner  
Membership No. 224549

Place: Chennai  
Date: April 19, 2018

**BALANCE SHEET AS AT MARCH 31, 2018**

	Note No.	As at 31.03.2018 ₹	As at 31.03.2017 ₹
<b>ASSETS</b>			
(1) Non-current assets			
a) Property, Plant and Equipment	1	21,726,875	31,930,766
b) Intangible assets	2	46,148,723,878	46,660,970,924
c) Intangible assets under development	3	1,497,116	—
d) Financial Assets			
i) Other financial assets	4	1,309,753	1,293,853
e) Other non-current assets	5	34,909,926	27,120,781
		<b>46,208,167,548</b>	<b>46,721,316,324</b>
<b>Current assets</b>			
a) Financial Assets			
i) Investments	6	31,885,170	465,507,737
ii) Cash and bank balances	7	129,385,831	45,338,687
iii) Others	4	209,763,185	200,896,084
b) Other current assets	5	5,773,839	3,048,574
		<b>376,808,025</b>	<b>714,791,082</b>
<b>TOTAL</b>		<b>46,584,975,573</b>	<b>47,436,107,406</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Equity Share capital	8	2,472,000,000	2,472,000,000
b) Other Equity	9	(5,492,540,437)	(2,465,446,529)
		<b>(3,020,540,437)</b>	<b>6,553,471</b>
<b>LIABILITIES</b>			
(1) Non-current liabilities			
a) Financial liabilities			
i) Borrowings	10	45,418,606,031	44,462,823,340
ii) Other financial liabilities	11	602,066,174	265,304,423
b) Provisions	12	569,434,952	340,217,030
c) Other non-current liabilities	13	128,076	—
		<b>46,590,235,233</b>	<b>45,068,344,793</b>
<b>Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	10	130,000,000	—
ii) Trade payables	14	20,206,337	18,783,901
iii) Other financial liabilities	11	2,855,025,009	2,335,999,130
b) Other current liabilities	13	6,979,168	4,899,362
c) Provisions	12	3,070,263	1,526,749
		<b>3,015,280,777</b>	<b>2,361,209,142</b>
<b>Total Equity and Liabilities</b>		<b>46,584,975,573</b>	<b>47,436,107,406</b>
<b>CONTINGENT LIABILITIES</b>	22		
<b>COMMITMENTS</b>	23		
<b>OTHER NOTES FORMING PART OF ACCOUNTS</b>	A		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	B		

As per our report attached of even date

For and on behalf of the Board

**For SHARP & TANNAN**

Chartered Accountants

(Firm's Registration No. 003792S)

**D VINOD KUMAR**

Partner

Membership No:224549

**P. PADMANABHAN**

Chief Financial Officer

**T. S. VENKATESAN**

Director

DIN: 01443165

**MATHEW GEORGE**

Director

DIN: 07402208

Place : Chennai

Date : April 19, 2018

Place : Chennai

Date : April 19, 2018

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

	<b>Note No.</b>	<b>2017-18</b> ₹	<b>2016-17</b> ₹
<b>REVENUE</b>			
Revenue from Operations	<b>15</b>	<b>3,603,928,802</b>	<b>3,074,602,227</b>
Construction contract revenue		<b>1,497,116</b>	<b>-</b>
Other income	<b>16</b>	<b>16,153,621</b>	<b>42,441,381</b>
<b>Total Revenue</b>		<b>3,621,579,539</b>	<b>3,117,043,608</b>
<b>EXPENSES</b>			
Construction contract expenses		<b>1,497,116</b>	<b>-</b>
Operating expenses	<b>17</b>	<b>512,231,984</b>	<b>434,283,404</b>
Employee benefit expenses	<b>18</b>	<b>45,005,033</b>	<b>34,917,612</b>
Finance costs	<b>19</b>	<b>5,491,363,680</b>	<b>5,043,076,593</b>
Depreciation and amortisation	<b>1 &amp; 2</b>	<b>519,701,315</b>	<b>433,766,938</b>
Administration and other expenses	<b>20</b>	<b>77,770,297</b>	<b>82,938,755</b>
<b>Total Expenses</b>		<b>6,647,569,425</b>	<b>6,028,983,302</b>
<b>Loss before tax</b>		<b>(3,025,989,886)</b>	<b>(2,911,939,694)</b>
Tax Expense:			
Current tax		<b>-</b>	<b>-</b>
<b>Loss for the year</b>		<b>(3,025,989,886)</b>	<b>(2,911,939,694)</b>
<b>Other Comprehensive Income</b>	<b>21</b>		
i) Items that will not be reclassified to profit or loss (net of tax)		<b>(1,104,022)</b>	<b>730,977</b>
<b>Total Comprehensive Income for the year</b>		<b>(3,027,093,908)</b>	<b>(2,911,208,717)</b>
<b>EARNINGS PER EQUITY SHARE (BASIC AND DILUTED)</b>	<b>A8</b>	<b>(12.24)</b>	<b>(11.78)</b>
<b>FACE VALUE PER EQUITY SHARE</b>		<b>10.00</b>	<b>10.00</b>

As per our report attached of even date

For and on behalf of the Board

**For SHARP & TANNAN**Chartered Accountants  
(Firm's Registration No. 003792S)**D VINOD KUMAR**Partner  
Membership No:224549**P. PADMANABHAN**

Chief Financial Officer

**T. S. VENKATESAN**Director  
DIN: 01443165**MATHEW GEORGE**Director  
DIN: 07402208

Place : Chennai

Date : April 19, 2018

Place : Chennai

Date : April 19, 2018

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

	2017-18 ₹	2016-17 ₹
<b>A Net profit / (loss) before tax and extraordinary items</b>	<b>(3,025,989,886)</b>	<b>(2,911,939,694)</b>
<b>Adjustment for</b>		
Depreciation and amortisation expense	519,701,315	433,766,938
Interest expense	5,491,363,680	5,043,076,593
Interest income	(3,293,697)	(2,446,905)
Other operating income	—	(53,889,430)
(Profit)/loss on sale and fair valuation of current investments (net)	(9,834,890)	(26,538,369)
(Profit)/loss on sale of fixed assets	1,527,124	36,456
<b>Operating profit before working capital changes</b>	<b>2,973,473,646</b>	<b>2,482,065,589</b>
<b>Adjustments for:</b>		
Increase / (Decrease) in provisions	191,553,205	169,819,892
Increase / (Decrease) in trade payables and other liabilities	42,718,472	(87,472,085)
(Increase) / Decrease in Financial assets and Other assets	(11,830,522)	140,401,821
<b>Net cash generated from/(used in) operating activities</b>	<b>3,195,914,801</b>	<b>2,704,815,217</b>
Direct taxes paid (net of refunds)	(7,566,889)	119,494
<b>Net Cash(used in)/generated from Operating Activities</b>	<b>3,188,347,912</b>	<b>2,704,934,711</b>
<b>B Cash flow from investing activities</b>		
Purchase of Property, Plant & Equipment	(4,875,945)	(13,323,248)
Sale of Property, Plant & Equipment	4,601,327	768,431
(Purchase)/Sale of current investments	443,457,457	(169,245,056)
Changes in other bank balances	(62,939,629)	39,748,948
Interest received	3,293,697	2,446,905
<b>Net cash (used in)/generated from investing activities</b>	<b>383,536,907</b>	<b>(139,604,020)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from long term borrowings	—	164,442,000
Repayment of long term borrowings	(370,800,000)	(185,400,000)
Proceeds from Mezzanine Debt	—	20,000,000
Proceeds from short term borrowings	130,000,000	—
Repayment of deferred payment liabilities	(1,414,300,000)	(777,696,153)
Interest paid	(1,895,677,304)	(1,829,866,005)
<b>Net cash (used in)/generated from financing activities</b>	<b>(3,550,777,304)</b>	<b>(2,608,520,158)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>21,107,515</b>	<b>(43,189,467)</b>
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>39,997,266</b>	<b>83,186,733</b>
<b>Cash and cash equivalents as at the end of the year</b>	<b>61,104,781</b>	<b>39,997,266</b>

**Notes:**

- Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Statement of Cash Flows
- Cash and cash equivalents represent cash and bank balances.
- Previous year's figures have been regrouped / reclassified wherever necessary.

As per our report attached of even date

For and on behalf of the Board

**For SHARP & TANNAN**

Chartered Accountants

(Firm's Registration No. 003792S)

**D VINOD KUMAR**

Partner

Membership No:224549

**P. PADMANABHAN**

Chief Financial Officer

**T. S. VENKATESAN**

Director

DIN: 01443165

**MATHEW GEORGE**

Director

DIN: 07402208

Place : Chennai

Date : April 19, 2018

Place : Chennai

Date : April 19, 2018

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018****A EQUITY SHARE CAPITAL**

Particulars	Note	No of shares	₹
<b>Balance as at April 01, 2016</b>		247,200,000	2,472,000,000
Changes in equity share capital during the year	8	-	-
<b>Balance as at March 31, 2017</b>		247,200,000	2,472,000,000
Changes in equity share capital during the year	8	-	-
<b>Balance as at March 31, 2018</b>		247,200,000	2,472,000,000

**B OTHER EQUITY**

Particulars	Equity component of compound financial instruments	Reserves & Surplus Retained earnings	Total
	₹	₹	₹
<i>Balance as at April 01, 2016</i>	2,793,442,495	(2,361,622,329)	431,820,166
Mezzanine debt received during the year	13,942,022	-	13,942,022
Loss for the year	-	(2,911,939,694)	(2,911,939,694)
Other comprehensive income	-	730,977	730,977
Total comprehensive income for the year	-	(2,911,208,717)	(2,911,208,717)
<b>Balance as at March 31, 2017</b>	2,807,384,517	(5,272,831,046)	(2,465,446,529)
<i>Balance as at March 31, 2017</i>	2,807,384,517	(5,272,831,046)	(2,465,446,529)
Loss for the year	-	(3,025,989,886)	(3,025,989,886)
Other comprehensive income	-	(1,104,022)	(1,104,022)
Total comprehensive income for the year	-	(3,027,093,908)	(3,027,093,908)
<b>Balance as at March 31, 2018</b>	2,807,384,517	(8,299,924,954)	(5,492,540,437)

As per our report attached of even date

For and on behalf of the Board

**For SHARP & TANNAN**Chartered Accountants  
(Firm's Registration No. 003792S)**D VINOD KUMAR**Partner  
Membership No:224549**P. PADMANABHAN**

Chief Financial Officer

**T. S. VENKATESAN**Director  
DIN: 01443165**MATHEW GEORGE**Director  
DIN: 07402208

Place : Chennai

Date : April 19, 2018

Place : Chennai

Date : April 19, 2018

## NOTES FORMING PART OF ACCOUNTS

### 1 PROPERTY, PLANT AND EQUIPMENT

Particulars	Cost				Depreciation				Book Value	
	As at April 01, 2017	Additions	Deductions	As at March 31, 2018	Up to March 31, 2017	For the year	Deductions	Up to March 31, 2018	As at March 31, 2018	As at March 31, 2017
<b>Owned</b>										
Plant and Equipment	2,108,444	150,000	–	2,258,444	269,361	315,892	–	585,253	1,673,191	1,839,083
Furniture and fixtures	5,881,586	–	17,813	5,863,773	1,391,740	634,263	17,813	2,008,190	3,855,583	4,489,846
Vehicles	28,932,293	467,263	6,525,165	22,874,391	6,527,393	4,472,095	1,220,874	9,778,614	13,095,777	22,404,900
Office equipment	3,275,502	405,098	767,975	2,912,625	1,349,040	432,334	202,274	1,579,100	1,333,525	1,926,462
Computers, laptops and printers	1,804,812	1,553,907	598,252	2,760,467	534,337	797,124	339,793	991,668	1,768,799	1,270,475
<b>Total</b>	<b>42,002,637</b>	<b>2,576,268</b>	<b>7,909,205</b>	<b>36,669,700</b>	<b>10,071,871</b>	<b>6,651,708</b>	<b>1,780,754</b>	<b>14,942,825</b>	<b>21,726,875</b>	<b>31,930,766</b>

Particulars	Cost				Depreciation				Book Value	
	As at April 01, 2016	Additions	Deductions	As at March 31, 2017	Up to March 31, 2016	For the year	Deductions	Up to March 31, 2017	As at March 31, 2017	As at March 31, 2016
<b>Owned</b>										
Plant and Equipment	1,322,132	876,618	90,306	2,108,444	129,041	230,620	90,300	269,361	1,839,083	1,193,091
Furniture and fixtures	5,816,056	196,200	130,670	5,881,586	849,356	640,123	97,739	1,391,740	4,489,846	4,966,700
Vehicles	19,444,965	10,017,328	530,000	28,932,293	1,896,535	4,798,691	167,833	6,527,393	22,404,900	17,548,430
Office equipment	2,511,032	1,045,263	280,793	3,275,502	886,777	743,047	280,784	1,349,040	1,926,462	1,624,255
Computers, laptops and printers	1,810,525	780,421	786,134	1,804,812	390,587	520,110	376,360	534,337	1,270,475	1,419,938
<b>Total</b>	<b>30,904,710</b>	<b>12,915,830</b>	<b>1,817,903</b>	<b>42,002,637</b>	<b>4,152,296</b>	<b>6,932,591</b>	<b>1,013,016</b>	<b>10,071,871</b>	<b>31,930,766</b>	<b>26,752,414</b>

- a) There are no restrictions on the title of property, plant and equipments. Refer Note A 14 for information on property, plant and equipments pledged as security for the borrowings of the Company.
- b) Refer Note 23 for disclosure of contractual commitments for the acquisition of property, plant and equipment and/or other intangible assets.
- c) The Company has reviewed the future cash flows on the basis of value in use of its Property, plant and equipment and capital work-in-progress and is satisfied that the recoverable amount is more than the carrying amount as per the books. Accordingly, no provision for impairment loss is required to be made in these financial statements.

### 2 INTANGIBLE ASSETS

Particulars	Cost				Amortisation				Book Value	
	As at April 01, 2017	Additions	Deductions	As at March 31, 2018	Up to March 31, 2017	For the year	Deductions	Up to March 31, 2018	As at March 31, 2018	As at March 31, 2017
Toll collection rights	47,437,548,499	802,561	–	47,438,351,060	776,577,575	513,049,607	–	1,289,627,182	46,148,723,878	46,660,970,924
<b>Total</b>	<b>47,437,548,499</b>	<b>802,561</b>	<b>–</b>	<b>47,438,351,060</b>	<b>776,577,575</b>	<b>513,049,607</b>	<b>–</b>	<b>1,289,627,182</b>	<b>46,148,723,878</b>	<b>46,660,970,924</b>

Particulars	Cost				Amortisation				Book Value	
	As at April 01, 2016	Additions	Deductions	As at March 31, 2017	Up to March 31, 2016	For the year	Deductions	Up to March 31, 2017	As at March 31, 2017	As at March 31, 2016
Toll collection rights	47,325,177,509	112,370,990	–	47,437,548,499	349,743,228	426,834,347	–	776,577,575	46,660,970,924	46,975,434,281
<b>Total</b>	<b>47,325,177,509</b>	<b>112,370,990</b>	<b>–</b>	<b>47,437,548,499</b>	<b>349,743,228</b>	<b>426,834,347</b>	<b>–</b>	<b>776,577,575</b>	<b>46,660,970,924</b>	<b>46,975,434,281</b>

## NOTES FORMING PART OF ACCOUNTS (Contd.)

- a) Toll Collection Rights represent the project highway and its components constructed by the Company on Design, Build, Finance, Operate and Transfer ("DBFOT") basis under Concession Agreement dated June 22, 2011 between the Company and National Highways Authority of India ("NHAI") to augment the existing road from KM 000.00 to KM 244.120 (approximately 244.120 km) on the Beawar – Pali - Pindwara section of National Highway No.14 in the State of Rajasthan by four-Laning. The Concession is for a period of 23 years from December 19, 2011. The amortization of the toll collection right is done till the end of the concession period.
- b) Addition to toll collection rights for the year 2016-17 includes the following:  
 NHAI has suspended toll collection for 23.263 days during November 9, 2016 to December 2, 2016 due to demonetisation. Under Clause 34.6.2 and 34.7.2 of Concession Agreement, being force majeure event, the company is entitled for extension of concession period for 23.263 days beyond end of existing concession period. The additional concession fee (also referred as Negative grant or premium) payable for this extended period of ₹58,074,135 (discounted) has been capitalised as Toll collection rights.  
 The company has submitted the claim to NHAI for ₹206,488,052 for loss of revenue during November 9, 2016 to December 2, 2016 in view of demonetisation. After excluding claim for Interest on Senior Debt ₹123,999,910 and O&M Expenses of ₹16,398,712, and on account of decrease in amortisation of ₹12,200,000 due to increase in concession period, the balance receivable of ₹53,889,430 has been capitalised.
- c) There are no restrictions on the title of Toll Collection rights.
- d) Refer Note 23 for disclosure of contractual commitments for the acquisition of other intangible assets.
- e) The Company has reviewed the future cash flows on the basis of value in use of the intangible assets (including Toll collection rights) and is satisfied that the recoverable amount is more than the carrying amount as per the books. Accordingly, no provision for impairment loss is required to be made in these financial statements.

### 3 INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	2016-17				2017-18			
	As at April 01, 2016	Additions	Deductions	As at March 31, 2017	As at April 01, 2017	Additions	Deductions	As at March 31, 2018
Construction cost	–	–	–	–	–	1,497,116	–	1,497,116
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,497,116</b>	<b>–</b>	<b>1,497,116</b>

Particulars	As at 31.03.2018			As at 31.03.2017		
	Current ₹	Non-current ₹	Total ₹	Current ₹	Non-current ₹	Total ₹

### 4 FINANCIAL ASSET

Unsecured, considered good

a) Security deposits	–	1,309,753	1,309,753	–	1,293,853	1,293,853
b) Receivable from NHAI	206,744,432	–	206,744,432	200,633,434	–	200,633,434
c) Other receivables	3,018,753	–	3,018,753	262,650	–	262,650
	<b>209,763,185</b>	<b>1,309,753</b>	<b>211,072,938</b>	<b>200,896,084</b>	<b>1,293,853</b>	<b>202,189,937</b>

Particulars	As at 31.03.2018			As at 31.03.2017		
	Current ₹	Non-current ₹	Total ₹	Current ₹	Non-current ₹	Total ₹

### 5 OTHER NON-CURRENT AND CURRENT ASSETS

Advances other than capital advances

Other advances	1,077,212	–	1,077,212	–	–	–
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Advance recoverable other than in cash

Prepaid Insurance	4,696,627	–	4,696,627	2,695,874	–	2,695,874
Prepaid expenses	–	–	–	352,700	–	352,700
WCT recoverable	–	23,677,791	23,677,791	–	23,455,535	23,455,535
Current tax receivable (net)	–	11,232,135	11,232,135	–	3,665,246	3,665,246
	<b>5,773,839</b>	<b>34,909,926</b>	<b>40,683,765</b>	<b>3,048,574</b>	<b>27,120,781</b>	<b>30,169,355</b>

**NOTES FORMING PART OF ACCOUNTS (Contd.)**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of Units	₹	Number of Units	₹
<b>6 INVESTMENTS</b>				
<b>Investments at fair value through Profit and loss</b>				
<b>Investments in Mutual funds:</b>				
Reliance Liquid Fund - Growth Plan - Growth	—	—	38,351	93,660,814
Reliance Liquid Fund - Treasury Plan - Growth	2,373	10,017,282	—	—
TATA Liquid Plan A Growth	—	—	4,238	12,672,544
Kotak Mutual Fund	—	—	9,914	32,624,626
IDFC Cash Fund - Growth	6,507	13,686,285	9,858	19,429,938
Invesco India liquid fund - Growth	—	—	51,525	115,025,295
SBI Premier Liquid Fund - Regular Plan - Growth	—	—	21,883	55,707,173
L&T Liquid Fund - Growth	3,444	8,181,603	—	—
DSP Black Rock Mutual Fund	—	—	44,485	103,121,860
ICICI Mutual Fund	—	—	138,516	33,265,487
		<b>31,885,170</b>		<b>465,507,737</b>
<b>Particulars</b>	<b>As at March 31, 2018</b>		<b>As at March 31, 2017</b>	
	₹		₹	
<b>Details of quoted and unquoted investments:</b>				
(a) Aggregate value of quoted investment				
i) Book value		—		—
ii) Market value		—		—
(b) Aggregate value of unquoted investment Book value (accounted based on NAV)		<b>31,885,170</b>		<b>465,507,737</b>
		<b>45,338,687</b>		<b>128,277,102</b>
<b>Particulars</b>	<b>As at March 31, 2018</b>		<b>As at March 31, 2017</b>	
	₹		₹	
<b>7 CASH AND CASH EQUIVALENTS</b>				
a) Balances with banks		<b>34,279,501</b>		<b>9,994,327</b>
b) Cash on hand		<b>26,825,280</b>		<b>30,002,939</b>
<b>Cash and cash equivalents</b>		<b>61,104,781</b>		<b>39,997,266</b>
c) Fixed deposits with banks including interest accrued of ₹ 1,575,405/- (PY ₹ 341,421/-)		<b>68,281,050</b>		<b>5,341,421</b>
<b>Other bank balances</b>		<b>68,281,050</b>		<b>5,341,421</b>
<b>Total cash and bank balances</b>		<b>129,385,831</b>		<b>45,338,687</b>



**NOTES FORMING PART OF ACCOUNTS (Contd.)**

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	₹	No. of Shares	₹
<b>8 SHARE CAPITAL</b>				
(i) <b>Authorised, issued, subscribed and paid up</b>				
Authorised:				
Equity shares of ₹ 10 each	250,000,000	2,500,000,000	250,000,000	2,500,000,000
Issued, subscribed and fully paid up	-	-	-	-
Equity shares of ₹ 10 each	247,200,000	2,472,000,000	247,200,000	2,472,000,000
(ii) <b>Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:</b>				
At the beginning of the year	247,200,000	2,472,000,000	247,200,000	2,472,000,000
Issued during the year as fully paid	-	-	-	-
At the end of the year	247,200,000	2,472,000,000	247,200,000	2,472,000,000

**(iii) Terms / rights attached to shares****Equity shares**

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

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

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

The Company declares and pays dividends in Indian rupees. During the year ended March 31, 2018, no dividend has been declared / proposed by Board of Directors. (Previous year - ₹ Nil).

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

The shares issued carry equal rights of dividend declared by the Company except for proportionate dividend on shares allotted during the year and no restrictions are attached to any class of shareholders.

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	₹	No. of Shares	₹
(iv) <b>Details of Shares held by Holding Company/Ultimate Holding Company/its subsidiaries or associates:</b>				
L&T Infrastructure Development Projects Limited (including nominee holding)	247,199,998	2,471,999,980	247,199,998	2,471,999,980
	247,199,998	2,471,999,980	247,199,998	2,471,999,980

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	%	No. of Shares	%
(v) <b>Details of Shareholders holding more than 5% shares in the company:</b>				
L&T Infrastructure Development Projects Limited (including nominee holding)	247,199,998	99.99%	247,199,998	99.99%
(vi) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: ₹ NIL				
(vii) Calls unpaid : ₹ NIL; Forfeited Shares : ₹ NIL				

**NOTES FORMING PART OF ACCOUNTS (Contd.)****9 OTHER EQUITY****As at March 31, 2018**

Particulars	Equity component of compound financial instruments	Reserves & Surplus	Total ₹
		Retained earnings	
Balance at the beginning of the reporting year	2,807,384,517	(5,272,831,046)	(2,465,446,529)
Total comprehensive income for the year	–	(3,027,093,908)	(3,027,093,908)
<b>Balance at the end of the reporting year</b>	<b>2,807,384,517</b>	<b>(8,299,924,954)</b>	<b>(5,492,540,437)</b>
<b>Other Equity as at March 31, 2017</b>			
Balance at the beginning of the reporting year	2,793,442,495	(2,361,622,329)	431,820,166
Total comprehensive income for the year	–	(2,911,208,717)	(2,911,208,717)
Mezzanine debt received during the year	13,942,022	–	13,942,022
<b>Balance at the end of the reporting year</b>	<b>2,807,384,517</b>	<b>(5,272,831,046)</b>	<b>(2,465,446,529)</b>

**(a) Retained earnings**

This represents the accumulated Profit / (Loss) of the company.

**(b) Equity component of compound financial instruments**

The Company received interest free loan in the nature of promoters' contribution from the Holding Company under the Common Loan Agreement entered with the project lenders. The Company does not have an unconditional right to not deliver cash or other financial asset to settle the obligation, the interest free mezzanine debt is fair valued on initial recognition. Difference between the amount received and fair value on initial recognition is recognised as "Equity component of compound financial instruments".

**10 BORROWINGS**

Particulars	As at March 31, 2018			As at March 31, 2017		
	Current	Non current	Total	Current	Non current	Total
	₹	₹	₹	₹	₹	₹
<b>Secured borrowings</b>						
a) Term loans						
i) From banks	–	17,846,785,136	17,846,785,136	–	18,211,406,310	18,211,406,310
<b>Unsecured borrowings</b>						
a) Deferred payment liability	–	29,019,715,388	29,019,715,388	–	27,016,740,094	27,016,740,094
b) Mezzanine debt	–	1,357,119,739	1,357,119,739	–	1,222,991,692	1,222,991,692
c) Loans from related parties	130,000,000	–	130,000,000	–	–	–
	<b>130,000,000</b>	<b>48,223,620,263</b>	<b>48,353,620,263</b>	<b>–</b>	<b>46,451,138,096</b>	<b>46,451,138,096</b>
Less: Current Maturities of Long term loans from banks	–	(1,019,700,000)	(1,019,700,000)	–	(370,800,000)	(370,800,000)
Less: Current Maturities of Deferred payment liability	–	(1,183,571,058)	(1,183,571,058)	–	(1,352,533,333)	(1,352,533,333)
Less: Interest accrued on Deferred Payment Liability	–	(601,743,174)	(601,743,174)	–	(264,981,423)	(264,981,423)
	<b>130,000,000</b>	<b>45,418,606,031</b>	<b>45,548,606,031</b>	<b>–</b>	<b>44,462,823,340</b>	<b>44,462,823,340</b>

**NOTES FORMING PART OF ACCOUNTS (Contd.)****Details of long term borrowings**

Particulars	Rate of interest	Terms of repayment
<b>Term loans from banks</b>	Floating rate i.e., Base rate of Punjab National Bank (Lead Bank) plus spread.	104 unequal monthly instalments
<b>Loan from related parties</b>	Interest free	Payable on demand.
<b>Mezzanine debt (Loan from Holding Company)</b>	G-Sec rate + applicable spread	(I) Unsecured Loans from Holding Company shall not be repaid before secured obligations are fully discharged to the complete satisfaction of lenders.  (II) The unsecured loan from the Holding Company is a part of the Promoter's Contribution towards the Project cost and defined as required equity consideration as per Common Loan Agreement.

**Nature of security for term loans**

The term loans sanctioned to the Company, are secured by a first charge on all the tangible movable assets, including project book debts, operating cash flows, receivables, movable plant and machinery both present and future including borrowers escrow account, all sub-escrow account and authorised investments; intangible assets of the Company including but not limited to Goodwill, rights, undertakings and the uncalled capital; assignment by way of security in all right, title and interest on the project documents, government approvals, guarantees, insurance contracts but excluding project assets as specified in Concession Agreement.

**11 OTHER FINANCIAL LIABILITIES**

Particulars	As at March 31, 2018			As at March 31, 2017		
	Current	Non current	Total	Current	Non current	Total
	₹	₹	₹	₹	₹	₹
a) Current Maturities of Long term loans from banks	1,019,700,000	–	1,019,700,000	370,800,000	–	370,800,000
b) Current Maturity of Deferred payment liability	1,183,571,058	–	1,183,571,058	1,352,533,333	–	1,352,533,333
c) Due to related parties	63,494,771	–	63,494,771	61,878,461	–	61,878,461
d) Deposits received	–	323,000	323,000	–	323,000	323,000
e) Interest accrued on Deferred Payment Liability	–	601,743,174	601,743,174	–	264,981,423	264,981,423
f) Other liabilities	588,259,180	–	588,259,180	550,787,336	–	550,787,336
	<b>2,855,025,009</b>	<b>602,066,174</b>	<b>3,457,091,183</b>	<b>2,335,999,130</b>	<b>265,304,423</b>	<b>2,601,303,553</b>

**12 PROVISIONS**

Particulars	As at March 31, 2018			As at March 31, 2017		
	Current	Non current	Total	Current	Non current	Total
	₹	₹	₹	₹	₹	₹
Provision for employee benefits	3,070,263	3,720,654	6,790,917	1,526,749	3,406,941	4,933,690
Provisions for major maintenance expenses	–	565,714,298	565,714,298	–	336,810,089	336,810,089
	<b>3,070,263</b>	<b>569,434,952</b>	<b>572,505,215</b>	<b>1,526,749</b>	<b>340,217,030</b>	<b>341,743,779</b>

**NOTES FORMING PART OF ACCOUNTS (Contd.)****13 OTHER LIABILITIES**

Particulars	As at March 31, 2018			As at March 31, 2017		
	Current	Non current	Total	Current	Non current	Total
	₹	₹	₹	₹	₹	₹
i) Company owned car scheme	–	128,076	128,076	–	–	–
ii) Statutory payables	6,979,168	–	6,979,168	4,899,362	–	4,899,362
	<b>6,979,168</b>	<b>128,076</b>	<b>7,107,244</b>	<b>4,899,362</b>	<b>–</b>	<b>4,899,362</b>

**14 TRADE PAYABLES**

Particulars	As at March 31, 2018	As at March 31, 2017
	₹	₹
Due to MSME vendors (Refer Note A 17)	62,918	–
Due to related parties	8,396,156	802,704
Due to others	11,747,263	17,981,197
	<b>20,206,337</b>	<b>18,783,901</b>

**15 REVENUE FROM OPERATIONS****Operating revenue:**

Toll Collections	3,603,928,802	3,020,712,797
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**Other operating revenue:**

Extension of Concession period [Refer Note 2 (b)]	–	53,889,430
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	<b>3,603,928,802</b>	<b>3,074,602,227</b>
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**16 OTHER INCOME**

## Interest income from:

Bank deposits	3,293,697	480,595
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Others	–	1,966,310
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	<b>3,293,697</b>	<b>2,446,905</b>
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Net gain on sale or fair valuation of investments	9,834,890	26,538,369
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Miscellaneous income	3,025,034	13,456,107
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	<b>16,153,621</b>	<b>42,441,381</b>
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**NOTES FORMING PART OF ACCOUNTS (Contd.)**

Particulars	2017-18		2016-17	
	₹	₹	₹	₹
<b>17 OPERATING EXPENSES</b>				
Toll Management fees		66,022,922		58,225,905
Security services		21,651,842		16,681,002
Insurance		8,710,365		9,357,255
Repairs and maintenance				
Toll road & bridge	116,323,786		90,241,175	
Plant and machinery	20,823,046		19,103,348	
Periodic major maintenance	190,800,000		171,398,400	
Others [Refer Note (a) below]	47,941,576		28,729,051	
		375,888,408		309,471,974
Power and fuel		39,958,447		40,547,268
		512,231,984		434,283,404

(a) Repairs and maintenance others for the FY 2016-17 is net of ₹ 12,682,764/-, being claims made by the Company from NHAI towards loss of operations and maintenance expenses incurred during demonetization period.

Particulars	2017-18		2016-17	
	₹	₹	₹	₹
<b>18 EMPLOYEE BENEFIT EXPENSES</b>				
Salaries, wages and bonus [Refer Note (a) below]		34,358,208		26,936,208
Contributions to and provisions for:				
Provident fund	1,715,953		1,650,966	
Gratuity	407,290		703,072	
Retention pay	2,842,384		537,548	
		4,965,627		2,891,586
Staff welfare expenses		5,681,198		5,089,818
		45,005,033		34,917,612

(a) Salaries, wages and bonus for the FY 2016-17 is net of ₹ 2,278,164/-, being claims made by the Company from NHAI towards loss of operations and maintenance expenses incurred during demonetization period.

Particulars	2017-18		2016-17	
	₹	₹	₹	₹
<b>19 FINANCE COSTS</b>				
Interest on borrowings [Refer Note (a) below]		1,859,423,162		1,813,051,638
Interest on Deferred payment liability		379,170,364		227,262,537
Interest others		24,357		-
Unwinding of discount and implicit interest expense on fair value		3,252,745,797		3,002,762,418
		5,491,363,680		5,043,076,593

(a) Interest on borrowings for the FY 2016-17 is net of ₹ 123,999,910/-, being claims made by the Company from NHAI towards loss on account of demonetization.

**NOTES FORMING PART OF ACCOUNTS (Contd.)**

Particulars	2017-18		2016-17	
	₹	₹	₹	₹
<b>20 ADMINISTRATION AND OTHER EXPENSES</b>				
Rent, Rates and taxes		901,505		1,437,896
Professional fees		48,323,362		56,422,995
Postage and communication		1,998,928		1,530,826
Printing and stationery		1,901,706		2,005,390
Travelling and conveyance		9,044,506		9,435,026
Repairs and Maintenance - Others		4,195,718		4,706,216
Loss on disposal of fixed asset		1,527,124		36,456
Miscellaneous expenses [Refer Note (a) below]		9,877,448		7,363,950
		<b>77,770,297</b>		<b>82,938,755</b>

(a) Miscellaneous expenses for the FY 2016-17 is net of ₹ 1,437,784, being claims made by the Company from NHAI towards loss of operations and maintenance expenses incurred during demonetization period.

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

Particulars	2017-18	2016-17
	₹	₹
a) As Auditor	516,840	503,700
b) For Taxation matters	206,500	173,250
c) For Reimbursement of expenses	26,972	17,266
d) For Other services	2,050,098	407,162
<b>Total</b>	<b>2,800,410</b>	<b>1,101,378</b>

Particulars	2017-18		2016-17	
	₹	₹	₹	₹
<b>21 OTHER COMPREHENSIVE INCOME</b>				
Items that will be reclassified to Profit or Loss in subsequent periods		—		—
Items that will not be reclassified to Profit or Loss in subsequent periods				
(a) Re-measurements of defined benefit obligations	(1,104,022)		730,977	
Less: Tax on the adjustment	—		—	
	<b>(1,104,022)</b>		<b>730,977</b>	
	<b>(1,104,022)</b>		<b>730,977</b>	

Particulars	2017-18		2016-17	
	₹	₹	₹	₹
<b>22 CONTINGENT LIABILITIES</b>				
(a) Income-tax liability that may arise in respect of which the Company is under Appeal	2,150,810		1,784,580	

Note: It is not practical to estimate the timing of cash outflows, if any, in respect of matters above pending resolution of appeal proceedings.

Particulars	2017-18		2016-17	
	₹	₹	₹	₹
<b>23 COMMITMENTS</b>				
(a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	191,300		—	

## NOTES FORMING PART OF ACCOUNTS (Contd.)

### A) OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

#### 1 CORPORATE INFORMATION

L&T BPP Tollway Limited is a Special purpose vehicle incorporated on May 25, 2011, to augment the existing road from KM 000.00 to KM 244.120 (approximately 244.120 km) on the Beawar – Pali - Pindwara section of National Highway No.14 in the State of Rajasthan by four-Laning on Design, Build, Finance, Operate and Transfer (DBFOT) basis, under Concession Agreement dated June 22, 2011 with the National Highways Authority of India (NHAI).

The Concession Agreement is for a period of 23 years from the appointed date (communicated by NHAI as December 19, 2011) as stated in clause 3.1.1 of Article-3 of the Concession Agreement. At the end of the concession period, the entire facility has to be transferred to NHAI, free and clear of all encumbrances, vide Article 38.1.1 of the Concession Agreement. The Company commenced operations on June 11, 2015.

#### 2 DISCLOSURE PURSUANT TO IND AS 19 “EMPLOYEE BENEFITS”:

##### (i) Defined contribution plan:

The Company's provident fund is 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 ₹ 17,15,953 (previous year : ₹ 16,50,996) 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	$15 / 26 \times \text{Salary} \times \text{Duration of Service}$
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

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

##### c) 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 for Gratuity and on the relative values of the assumed salary growth.

#### 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.

**NOTES FORMING PART OF ACCOUNTS (Contd.)****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.

Particulars	Gratuity plan	
	As at March 31, 2018 ₹	As at March 31, 2017 ₹
<b>d) The amounts recognised in Balance Sheet are as follows:</b>		
Present value of defined benefit obligation		
- Wholly funded	2,741,457	1,774,255
- Wholly unfunded	—	—
	2,741,457	1,774,255
Less : Fair value of plan assets	1,648,398	1,688,089
<b>Net Liability / (asset)</b>	<b>1,093,059</b>	<b>86,166</b>
Amounts reflected in the Balance Sheet		
Net (Asset) / Liability - Current	600,949	86,166
Net (Asset) / Liability - Non-Current	492,110	—
<b>e) The amounts recognised in the Statement of Profit or loss are as follows:</b>		
Current service cost	415,770	544,992
Interest on Defined benefit obligation	(8,460)	158,080
<b>Total Charge to Statement of Profit or Loss</b>	<b>407,310</b>	<b>703,072</b>
<b>f) Remeasurement recognized in other comprehensive income:</b>		
Components of actuarial gain/losses on obligations:		
Due to changes in financial assumptions	(74,969)	106,533
Due changes in experience adjustments	1,126,079	(838,722)
Return on plan assets excluding amounts included in interest income	52,912	1,212
<b>Amounts recognized in Other Comprehensive Income</b>	<b>1,104,022</b>	<b>(730,977)</b>
<b>g) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:</b>		
Opening balance of the present value of defined benefit obligation	1,774,255	2,299,170
Add: Current service cost	415,770	544,992
Add: Interest cost	118,796	171,439
Add/(less): Actuarial losses/(gains)		
Due to changes in financial assumptions	(74,969)	106,533
Due changes in experience adjustments	1,126,079	(838,722)
Less: Benefits paid	(618,474)	(509,157)
<b>Closing balance of the present value of defined benefit obligation</b>	<b>2,741,457</b>	<b>1,774,255</b>



**NOTES FORMING PART OF ACCOUNTS (Contd.)**

Particulars	Gratuity plan	
	As at March 31, 2018 ₹	As at March 31, 2017 ₹
<b>h) The changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:</b>		
Opening balance of Plan Assets	1,688,089	-
Add: Interest Income	127,256	13,359
Add: Return on plan assets excluding amounts included in interest income	(52,912)	(1,212)
Add: Contributions by employer	504,439	2,110,532
Less: Benefits paid	(618,474)	(434,590)
<b>Closing value of plan assets</b>	<b>1,648,398</b>	<b>1,688,089</b>

Actual return on plan assets is ₹ 74,344 (Previous year: ₹ 12,147)

<b>i) Reconciliation of Net Defined Benefit Liability:</b>		
Net opening provision in books of accounts	86,166	2,299,170
Employee Benefit Expense	407,310	703,072
Amounts recognized in Other Comprehensive Income	1,104,022	(730,977)
	1,597,498	2,271,265
Benefits paid by the Company	-	(74,567)
Contributions to plan assets	(504,439)	(2,110,532)
<b>Closing provision in books of accounts</b>	<b>1,093,059</b>	<b>86,166</b>

<b>j) Principal actuarial assumptions at the Balance Sheet date:</b>		
Discount rate	7.30%	6.95%
Salary growth rate	6.00%	6.00%
Attrition rate	3% - 15%	3% - 15%
Expected rate of return	7.30%	6.95%
Mortality rates	Indian Assured Lives Mortality (2006-08) Table	

**k) Sensitivity analysis - Gratuity plan**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Change	Obligation	Change	Obligation
	%	₹	%	₹
Discount Rate	0.50%	2,640,465	0.50%	1,710,196
	-0.50%	2,849,705	-0.50%	1,842,606
Salary Growth Rate	0.50%	2,850,547	0.50%	1,842,905
	-0.50%	2,638,801	-0.50%	1,709,344

**l) The major components of plan assets as a percentage of total plan assets are as follows:**

Particulars	Gratuity	
	As at March 31, 2018	As at March 31, 2017
Insurer managed funds	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**NOTES FORMING PART OF ACCOUNTS (Contd.)****m) Maturity analysis of expected benefit payments**

Particulars	Cashflows	%
	₹	
2019	232,313	4.30%
2020	228,829	4.30%
2021	256,075	4.80%
2022	244,052	4.50%
2023	236,953	4.40%
2024-2028	1,203,245	22.40%

The future accrual is not considered in arriving at the above cash flows.

**3 DISCLOSURE PURSUANT TO IND AS 23 “BORROWING COSTS”**

Borrowing cost capitalised during the year ₹ Nil [Previous Year : ₹ Nil]

**4 DISCLOSURE OF SEGMENT INFORMATION PURSUANT TO IND AS 108 “OPERATING SEGMENTS”**

The Company is engaged in the business of development, operation and maintenance of Toll road projects on a DBFOT basis in a single business segment. Hence reporting on primary segment does not arise. The Company does not have operations outside India. Hence, disclosure of secondary / geographical segment information does not arise.

**5 DISCLOSURE OF RELATED PARTIES / RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24 “RELATED PARTY DISCLOSURES”****a) List of related parties where control exists / with whom transactions have taken place during the year:**

Holding Company :	L&T Infrastructure Development Projects Limited
Company exercising significant influence over Holding company :	Larsen & Toubro Limited
Fellow Subsidiaries :	L&T Rajkot-Vadinar Tollway Limited L&T Infrastructure Engineering Limited L&T Halol Shamlaji Tollway Limited Ahmedabad Maliya Tollway Limited Vadodara Bharuch Tollway Limited L&T Interstate Road Corridor Limited L&T Transportation Infrastructure Limited L&T Samakhiali Gandhidham Tollway Limited L&T Sambalpur-Rourkela Tollway Limited Krishnagiri Walajahpet Tollway Limited Western Andhra Tollways Limited L&T Deccan Tollway Limited L&T Panipat Elevated Corridor Project Limited PNG Tollway Limited
Key Managerial Personnel	Mr. Sharad Pancholy (up to July 13, 2017) - Manager Mr. Shailesh Kumar Shukla - Manager (w.e.f. July 17, 2017) - Manager Dr. A. Veeraraghavan - Independent Director Mrs. Samyuktha Surendran - Independent Director

**NOTES FORMING PART OF ACCOUNTS (Contd.)****b) Disclosure of related party transactions:**

Particulars	2017-18	2016-17
	₹	₹
<b>1. Purchase of goods and services inclusive of taxes</b>		
Company exercising significant influence over Holding company :		
Larsen & Toubro Limited	11,778,989	11,584,147
Holding company :		
L&T Infrastructure Development Projects Limited	33,937,629	30,329,165
Fellow subsidiaries:		
L&T Infrastructure Engineering Limited	1,234,044	—
	46,950,662	41,913,312
<b>2. Purchase of assets</b>		
Fellow subsidiaries:		
Ahmedabad Maliya Tollway Limited	—	1
L&T Samakhiali Gandhidham Tollway Limited	48,617	—
L&T Rajkot Vadinar Tollway Limited	37,153	1,855,502
L&T Sambalpur-Rourkela Tollway Limited	181,193	—
L&T Deccan Tollway Limited	—	58,340
PNG Tollway Limited	—	2,863,227
L&T Halol Shamlaji Tollway Limited	—	10,802
	266,963	4,787,872
<b>3. Sale of assets</b>		
Holding company :		
L&T Infrastructure Development Projects Limited	359,958	126,018
Fellow subsidiaries:		
L&T Deccan Tollway Limited	45,464	—
L&T Sambalpur-Rourkela Tollway Limited	—	58,507
L&T Panipat Elevated Corridor Project Limited	43,184	—
L&T Samakhiali Gandhidham Tollway Limited	95,583	—
L&T Interstate Road Corridor Limited	236,855	51,005
	781,044	235,530
<b>4. Receipt on behalf of related party</b>		
Company exercising significant influence over Holding company :		
Larsen & Toubro Limited	—	82,485,339
	—	82,485,339
<b>5. Reimbursement of expenses charged from</b>		
Holding company		
L&T Infrastructure Development Projects Limited	—	122,796
Fellow subsidiaries:		
Ahmedabad Maliya Tollway Limited	—	10,961
	—	133,757

**NOTES FORMING PART OF ACCOUNTS (Contd.)**

Particulars	2017-18	2016-17
	₹	₹
<b>6. Reimbursement of expenses charged to</b>		
Company exercising significant influence over Holding company :		
Larsen & Toubro Limited	2,652,076	3,051,170
Fellow subsidiaries:		
Varodara Brunch Tollway Limited	–	86,000
L&T Samakhiali Gandhidham Tollway Limited	378,075	452,250
	3,030,151	3,589,420
<b>7. ICD / Mezzanine Debt received</b>		
Holding company :		
L&T Infrastructure Development Projects Limited	–	20,000,000
Fellow subsidiary:		
Varodara Bharuch Tollway Limited	130,000,000	–
	130,000,000	20,000,000
<b>8. Purchase of Commerical Paper</b>		
Fellow subsidiary:		
Krishnagiri Walajahpet Tollway Limited	–	248,285,750
Western Andhra Tollways Limited	–	59,747,940
	–	308,033,690
<b>9. Refundable deposit received for directors' nomination'</b>		
Holding company :		
L&T Infrastructure Development Projects Limited	–	100,000
	–	100,000
<b>10. Key Managerial Personnel - Salary and Perquisites</b>		
Mr. Sharad Pancholy		
Short term employee benefits	113,041	1,706,966
Other long term benefits	–	537,548
Mr. Shailesh Kumar Shukla		
Short term employee benefits	2,363,597	–
Other long term benefits	169,050	–
	2,645,688	2,244,514
<b>11. Independent Directors - Sitting Fees</b>		
Dr. A. Veeraraghavan	188,050	220,000
Mrs. Samyuktha Surendran	153,050	220,000
	341,100	440,000

**NOTES FORMING PART OF ACCOUNTS (Contd.)****c) Amount due to and due from related parties(net):**

Particulars	Amounts due (to)/from	
	As at As at March 31, 2018	As at As at March 31, 2017
Company exercising significant influence over Holding company:		
Larsen & Toubro Limited	(62,410,771)	(143,277,052)
Holding Company :		
L&T Infrastructure Development Projects Limited	(3,716,396,156)	(3,700,802,704)
Fellow subsidiaries :		
L&T Deccan Tollway Limited	45,464	—
Vadodara Bharuch Tollway Limited	(130,000,000)	—
L&T Infrastructure Engineering Limited	(1,129,464)	—

**d) Terms and conditions of transactions with related parties**

Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2018, the company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 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) No amounts pertaining to related parties have been written off or written back during the year. [Previous Year: ₹Nil]

**6 DISCLOSURE PURSUANT TO IND AS 17 “LEASES”**

The Company has taken certain office premises and guest house premises under cancellable operating lease. These agreements are normally renewed on expiry and there are no restrictions imposed by the lease arrangements. Lease rental expenses for the year is ₹5,66,500/- (previous year: ₹3,62,318/-) is charged to the Statement of Profit and Loss.

Contingent rent recognised in the Statement of Profit and Loss for the year is ₹Nil (previous year ₹Nil).

The Company has not taken any asset on finance lease.

**7 DISCLOSURE PURSUANT TO IND AS 12 - “INCOME TAXES”****Deferred Tax:****a) Major components of Deferred tax liabilities and assets**

Particulars	As at March 31, 2018	As at March 31, 2017
	₹	₹
Difference between book depreciation and tax depreciation	15,300,114,291	16,997,611,526
Provision for employee benefits expenses	2,350,201	1,707,451
Fair value adjustment of mutual funds	(38,700)	(2,715,312)
Upfront fee on borrowings	(14,663,709)	(16,802,077)
Major maintenance reserve	(74,300,037)	(62,431,641)
Negative grant	(17,552,882,607)	(18,618,986,734)
Business and depreciation loss	2,339,420,561	1,701,616,787
<b>Net Deferred Tax Assets/ ( Liabilities)</b>	—	—

**NOTES FORMING PART OF ACCOUNTS (Contd.)****b) Items for which no deferred tax asset is recognised in the balance sheet :**

Particulars	As at March 31, 2018		
	Base amount	Deferred tax	Expiry date
	₹	₹	
a) Tax losses (revenue in nature) (business loss on which no deferred tax asset is created)			
AY 2017-18	2,361,296,443	817,197,473	AY 2025-26
AY 2018-19	5,325,204,478	1,842,946,766	AY 2026-27
	7,686,500,921	2,660,144,239	
b) Tax losses (revenue in nature) (unabsorbed depreciation loss on which no deferred tax asset is created)	15,438,189	5,342,848	Not applicable

Particulars	As at March 31, 2017		
	Base amount	Deferred tax	Expiry date
	₹	₹	
a) Tax losses (revenue in nature) (business loss on which no deferred tax asset is created)			
AY 2017-18	4,204,233,839	1,455,001,247	AY 2025-26
b) Tax losses (revenue in nature) (unabsorbed depreciation loss on which no deferred tax asset is created)	10,463,042	3,621,050	Not applicable

- c) Deferred tax assets on property plant and equipment and other assets have been recognized to the extent the same can be set off against deferred tax liability arising on timing difference between book depreciation as per the Income Tax Act, 1961.
- d) The Company is eligible to claim deduction under section 80 IA of the Income Tax Act, 1961 and the management expects the above deferred tax assets to get reversed/ lapsed within the tax holiday period. Hence, these deferred tax assets are not recognized in the Balance Sheet.
- e) Reconciliation of deferred tax assets / (liabilities)

Particulars	2017-18	2016-17
	₹	₹
<b>Opening balance as on April 01</b>	—	—
Tax (income)/ expense during the period recognized in:		
a) Statement of Profit or Loss in Profit or Loss section		
Difference between book depreciation and tax depreciation	(1,697,497,235)	16,997,611,526
Provision for employee benefits expenses	642,750	1,707,451
Fair value adjustment of mutual funds	2,676,612	(2,715,312)
Upfront fee on borrowings	2,138,368	(16,802,077)
Major maintenance reserve	(11,868,396)	(62,431,641)
Negative grant	1,066,104,127	(18,618,986,734)
Business and depreciation loss	637,803,774	1,701,616,787
<b>Total recognized in Statement of profit or loss</b>	—	—
b) Statement of Profit or Loss under OCI section	—	—
c) Retained earnings	—	—
<b>Closing balance as at March 31</b>	—	—

## NOTES FORMING PART OF ACCOUNTS (Contd.)

### 8 DISCLOSURE PURSUANT TO IND AS 33 "EARNINGS PER SHARE"

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

Particulars		2017-18	2016-17
		₹	₹
Earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic and diluted earnings per share (₹)	A	(3,025,989,886)	(2,911,939,694)
Weighted average number of equity shares outstanding for calculating basic and diluted earnings per share	B	247,200,000	247,200,000
Basic and Diluted earnings per equity share (₹)	A / B	(12.24)	(11.78)
Face value per equity share (₹)		10.00	10.00

### 9 DISCLOSURE PURSUANT TO IND AS 36 "IMPAIRMENT OF ASSETS"

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

### 10 DISCLOSURES AS PER IND AS 37 - "PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS"

#### a) Nature of provision:

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

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

As per Industry practice periodic maintenance is expected to occur over a period of six to seven years. The maintenance cost / bituminous overlay may vary based on the actual usage during maintenance period. Accordingly on the grounds of matching concept, based on estimates, a provision for periodic major maintenance expenses is provided for in the books annually.

During the current year the Company has provided ₹ 190,800,000/- for periodic major maintenance in respect of its resurfacing obligation, as per Schedule L Clause 4.3.7 of the Concession Agreement with NHAI. The same is at discounted value.

#### b) Movement in provisions - Provision for Major Maintenance:

Particulars	As at March 31, 2018	As at March 31, 2017
	₹	₹
Carrying amount as at the beginning of the year	336,810,089	148,600,249
Additional provision	190,800,000	171,398,400
Increase in discounted amount due to passage of time and changes in discount rate	38,104,209	16,811,440
Carrying amount as at the end of the year	565,714,298	336,810,089

#### c) Contingent Liabilities :

Disclosure in respect of contingent liabilities is given as part of Note 22 to the Balance Sheet.

### 11 DISCLOSURE AS PER IND AS 1 - "PRESENTATION OF FINANCIAL STATEMENTS"

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

**NOTES FORMING PART OF ACCOUNTS (Contd.)****12 FINANCIAL INSTRUMENTS****Disclosure of Financial Instruments by Category**

Financial instruments by categories	Note no.	As at March 31, 2018			As at March 31, 2017		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
<b>Financial asset</b>							
Security Deposits	4	–	–	1,309,753	–	–	1,293,853
Investments	6	31,885,170	–	–	465,507,737	–	–
Cash and bank balances	7	–	–	129,385,831	–	–	45,338,687
Other Current Financial Asset	4	–	–	209,763,185	–	–	200,896,084
<b>Total Financial Asset</b>		<b>31,885,170</b>	<b>–</b>	<b>340,458,769</b>	<b>465,507,737</b>	<b>–</b>	<b>247,528,624</b>
<b>Financial liability</b>							
Borrowings (including interest accrued)	10	–	–	48,353,620,263	–	–	46,451,138,096
Dues to related parties	11	–	–	63,494,771	–	–	61,878,461
Other Financial Liabilities	11	–	–	588,582,180	–	–	551,110,336
Trade Payables	14	–	–	20,206,337	–	–	18,783,901
<b>Total Financial Liabilities</b>		<b>–</b>	<b>–</b>	<b>49,025,903,551</b>	<b>–</b>	<b>–</b>	<b>47,082,910,794</b>

**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.

**13 FAIR VALUE MEASUREMENT****a) Fair value of Financial asset and liabilities at amortized cost**

Particular	Note no.	As at March 31, 2018		As at March 31, 2017	
		Carrying amount	Fair value	Carrying amount	Fair value
		₹	₹	₹	₹
<b>Financial Assets</b>					
Security Deposits	4	1,309,753	1,309,753	1,293,853	1,293,853
<b>Total Financial Assets</b>		<b>1,309,753</b>	<b>1,309,753</b>	<b>1,293,853</b>	<b>1,293,853</b>
<b>Financial liability</b>					
Borrowings (including interest accrued)	10	48,353,620,263	48,353,620,263	46,451,138,096	46,451,138,096
<b>Total Financial Liabilities</b>		<b>48,353,620,263</b>	<b>48,353,620,263</b>	<b>46,451,138,096</b>	<b>46,451,138,096</b>

The carrying amount of current financial assets and current trade payables and other financial liabilities 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 Borrowings approximate fair value as the instruments are at prevailing market rate.

Refer Note A(14) for information on Financial Asset pledged as security.



**NOTES FORMING PART OF ACCOUNTS (Contd.)****b) Fair value hierarchy****AS AT MARCH 31, 2018**

	<b>Note No.</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>FINANCIAL ASSET &amp; LIABILITES MEASURED AT FV - RECURRING FVM</b>					
<b>FINANCIAL ASSET MEASURED AT FVTPL</b>					
Investments in Mutual Funds	6	31,885,170	–	–	31,885,170
<b>Total of Financial Assets</b>		<b>31,885,170</b>	<b>–</b>	<b>–</b>	<b>31,885,170</b>
<b>Financial Liabilities measured at FVTPL</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total of Financial Liabilities</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

**FINANCIAL ASSET & LIABILITES MEASURED AT  
AMORTIZED COST FOR WHICH FAIR VALUES ARE  
TO BE DISCLOSED****Financial Assets**

Security Deposits	4	–	–	1,309,753	1,309,753
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**Financial Assets**

		<b>–</b>	<b>–</b>	<b>1,309,753</b>	<b>1,309,753</b>
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**Total of Financial Assets**

Borrowings (including interest accrued)	10	–	48,353,620,263	–	48,353,620,263
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**Total Financial liabilities**

		<b>–</b>	<b>48,353,620,263</b>	<b>–</b>	<b>48,353,620,263</b>
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**AS AT MARCH 31, 2017****FINANCIAL ASSET & LIABILITES MEASURED AT FV  
- RECURRING FVM****Financial asset measured at FVTPL**

Investments in Mutual Funds	6	465,507,737	–	–	465,507,737
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**Total of Financial Assets**

		<b>465,507,737</b>	<b>–</b>	<b>–</b>	<b>465,507,737</b>
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**Financial Liabilities measured at FVTPL**

		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
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**Total of Financial Liabilities**

		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
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	<b>Note No.</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>FINANCIAL ASSET &amp; LIABILITES MEASURED AT AMORTIZED COST FOR WHICH FAIR VALUES ARE TO BE DISCLOSED</b>					
<b>Financial Assets</b>					
Security Deposits	4	–	–	1,293,853	1,293,853
<b>Total Financial Assets</b>		<b>–</b>	<b>–</b>	<b>1,293,853</b>	<b>1,293,853</b>
<b>Financial Liabilities</b>					
Borrowings (including interest accrued)	10	–	46,451,138,096	–	46,451,138,096
<b>Total Financial Liabilities</b>		<b>–</b>	<b>46,451,138,096</b>	<b>–</b>	<b>46,451,138,096</b>

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

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

**NOTES FORMING PART OF ACCOUNTS (Contd.)****Valuation technique and inputs used to determine fair value**

Financial assets and liabilities	Valuation method	Inputs
<b>Financial assets</b>		
Investment in Mutual Funds	Market Approach	NAV
Security deposit	Income	Cash flow
<b>Financial liabilities</b>		
Borrowings	Income	Current Bank Rate

**14) ASSET PLEDGED AS SECURITY**

Particulars	Note no	As at March 31, 2018	As at March 31, 2017
Property, Plant & Equipment	1	21,726,875	31,930,766
Investments	6	31,885,170	465,507,737
Cash and bank balances	7	129,385,831	45,338,687
Other Financial Asset	4	209,763,185	200,896,084
<b>TOTAL</b>		<b>392,761,061</b>	<b>743,673,274</b>

**15 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 & 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 borrowings 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	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Senior Debt from Banks - Variable rate borrowings	17,846,785,136	18,211,406,310

**Sensitivity analysis based on average outstanding Senior Debt**

Particulars	Impact on loss before tax 2017-18 ₹	2016-17 ₹
Increase or decrease in interest rate by 25 basis point	45,072,739	22,764,258

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

**NOTES FORMING PART OF ACCOUNTS (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 is exposed to price risk due to investments in mutual funds and classified as fair value through profit and loss.

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	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Investments in Mutual Funds	6	31,885,170	465,507,737

**Sensitivity analysis based on average outstanding Senior Debt**

Particulars	Impact on loss before tax	
	2017-18 ₹	2016-17 ₹
Increase or decrease in NAV by 2%	637,703	9,310,155

Note - In case of decrease in NAV, loss will increase 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**

	upto 1 year	1 - 2 years	2 - 5 years	> 5 years	Total	Carrying Amount
<b>AS AT MARCH 31, 2018</b>						
<b>Non Derivative Financial Liability</b>						
Term Loan from banks	1,019,700,000	741,600,000	6,674,400,000	9,453,456,000	17,889,156,000	17,846,785,136
Deferred payment liabilities	1,183,571,058	976,866,667	6,796,134,128	70,782,291,150	79,738,863,003	29,019,715,388
Mezzanine debt from related parties	—	—	—	3,708,000,000	3,708,000,000	1,357,119,739
Inter-corporate deposit from related parties	130,000,000	—	—	—	130,000,000	130,000,000
Other financial liabilities	651,753,951	—	—	323,000	652,076,951	652,076,951
Trade Payables	20,206,337	—	—	—	20,206,337	20,206,337
<b>Derivative Financial Liability</b>	—	—	—	—	—	—
<b>As at March 31, 2017</b>						
<b>Non Derivative Financial Liability</b>						
Term Loan from banks	370,800,000	1,019,700,000	5,562,000,000	11,258,906,310	18,259,956,000	18,211,406,310
Deferred payment liabilities	1,352,533,333	1,164,275,000	4,232,975,000	74,066,617,919	80,816,401,252	27,016,740,094
Mezzanine debt from related parties	—	—	—	3,708,000,000	3,708,000,000	1,222,991,692
Other financial liabilities	612,665,797	—	—	323,000	612,988,797	612,988,797
Trade Payables	18,783,901	—	—	—	18,783,901	18,783,901
<b>Derivative Financial Liability</b>	—	—	—	—	—	—

**NOTES FORMING PART OF ACCOUNTS (Contd.)****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. The company has other receivables primarily from government authority i.e. NHAI. Hence, the management believes that the company is not exposed to any credit risk.

**16 DISCLOSURE PURSUANT TO APPENDIX - A TO IND AS 11 - " SERVICE CONCESSION ARRANGEMENTS"****i Description and classification of the arrangement**

L&T BPP Tollway Limited is a Special purpose vehicle incorporated on May 25, 2011, to augment the existing road from KM 000.00 to KM 244.120 (approximately 244.120 km) on the Beawar – Pali - Pindwara section of National Highway No.14 in the State of Rajasthan by four-Laning on Design, Build, Finance, Operate and Transfer (DBFOT) basis, under Concession Agreement dated June 22, 2011 with the National Highways Authority of India (NHAI).

The Concession Agreement is for a period of 23 years from the appointed date (communicated by NHAI as December 19, 2011) as stated in clause 3.1.1 of Article-3 of the Concession Agreement. At the end of the concession period, the entire facility has to be transferred to NHAI, free and clear of all encumbrances, vide Article 38.1.1 of the Concession Agreement. The Company commenced operations on June 11, 2015.

**ii Significant Terms of the arrangements****(a) Revision of Fees:**

Fees shall be revised annually on 1st April as per Schedule R of the Concession Agreement dated June 22, 2011.

**(b) Concession Fee**

As per Article 26 of the Concession Agreement, the company is liable to pay Concession Fee of Re 1 every year. The company is also liable to pay additional concession fee ₹ 251.01 Crores from the commercial operation date on monthly basis. On every 1st April, the additional concession fees shall increase by 5% as compared to every preceeding 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.

**iv Obligation of the Company**

a The company 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 shall perform and fulfill all of the Concessionaire's obligations and in accordance with this agreement.

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

**v Details of Termination**

Concession can be terminated on account of concessionaire event of default mentioned under Article 37.1 or Authority event of default mentioned under Article 37.2.

**vi Other rights and obligations**

The company need to fulfill its maintenance obligations as mentioned in Article 17 as well as Schedule K. It includes maintenance of roughness value upto 2500 mm. If roughness index exceeds 2500 mm the same need to be rectified in 180 days. (called as major maintenace)

**vii Changes in arrangements occuring during the period**

In view of instructions issued by NHAI, toll collection was suspended during the period from November 9, 2016 to December 2, 2016.

**viii Service arrangement has been classified as an Intangible Asset**

**17** The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as on March 31, 2018. The disclosure pursuant to the said Act is as under:

S. No.	Particulars	2017-18	2016-17
		₹	₹
(i)	Principal amount remaining unpaid to any supplier at the end of year	62,918	—
(ii)	Interest accrued and due thereon to suppliers under MSMED Act on the above amount remaining unpaid to any supplier at the end of year	—	—

**NOTES FORMING PART OF ACCOUNTS (Contd.)**

S. No.	Particulars	2017-18	2016-17
		₹	₹
(iii)	Payment amount made to the supplier (other than interest) beyond the appointed day during the year	522,700	—
(iv)	Interest amount paid by the buyer in terms of section 16 of the MSMED Act, 2006	—	—
(v)	Interest amount paid by the buyer under MSMED Act, 2006 (other than Section 16)	—	—
(vi)	Interest amount due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	24,357	—
(vii)	Interest amount accrued and remaining unpaid at the end of the year	24,357	—
(viii)	Further interest amount remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	—	—

Note: The information has been given in respect of such vendors to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the Company.

**18 CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium, Other equity in form of Subordinate Debt and all other reserves attributable to the equity holders of the Company.

The Company's objective for capital management is to maximize shareholder value and safeguard business continuity.

The Company determines the capital requirement based on annual operating plans and other strategic plans. The funding requirements are met through equity and operating cash flows generated.

Summary of Quantitative Data is given hereunder:

Particulars	March 31, 2018	March 31, 2017
	₹	₹
Equity	2,472,000,000	2,472,000,000
Other Equity	(5,492,540,437)	(2,465,446,529)
<b>Total</b>	<b>(3,020,540,437)</b>	<b>6,553,471</b>

The company does not have any externally imposed capital requirement.

19 Previous year numbers have been regrouped / reclassified to conform to current year classification.

20 These financial statements have been approved for issue by the Board of Directors at their meeting held on April 19, 2018.

**B 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) read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.

The financial statements upto to the year ended March 31, 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 certain financial statements which are measured at fair value as explained in the accounting policies below.

**(c) Use of estimates and judgements**

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known.

## NOTES FORMING PART OF ACCOUNTS (Contd.)

/ materialize. Estimates include the useful lives of property plant and equipment and intangible assets, allowance for doubtful debts/ advances, future obligations in respect of retirement benefit plans, provisions for major maintenance obligations, fair value measurement etc.

### (d) Measurement of fair values

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

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

## 2 Presentation of financial statements

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

Amounts in the financial statements are presented in Indian Rupees since the management is of the view that presenting the whole numbers, rather than rounding off, will result in better qualitative presentation of the financial statements.

## 3 Revenue recognition

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

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

- a) Toll collections from the users of the infrastructure facility constructed by the Company under the Service Concession Arrangement is accounted for based on actual collection, net of revenue share payable under the Concession agreement wherever applicable. Revenue from sale of smart cards is accounted on cash basis.
- b) Claims with National Highways Authority of India ('NHAI').
  - Claims with National Highways Authority of India ('NHAI') and other Government Authorities are accounted as and when the money is received from the respective Authority, in cases of monetary compensations.
  - In cases where the claims are accepted by NHAI but the compensation is by way of extension of the concession period.
  - In cases where the Company has a contractual right to an extension in the concession period as per the concession agreement.
- c) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest is accrued on time proportion basis, by reference to the principle outstanding at the effective interest rate.
- 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 or loss in the period in which the change is made and in subsequent periods.

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

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

## NOTES FORMING PART OF ACCOUNTS (Contd.)

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

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

### 4 Cash and bank balances

Cash and bank balances include cash and cash equivalents and other bank balances. Cash and cash equivalents include cash on hand, balances with banks and highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturity of three months or less from the date of purchase. Other bank balances includes fixed deposits with original maturity of more than three months but less than twelve months from the date of purchase.

### 5 Cash flow statement

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

- transactions of a non-cash nature;
- any deferrals or accruals of past or future operating cash receipts or payments and,
- all other items of income or expense associated with investing or financing cash flows.

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

### 6 Property, plant and equipment (PPE)

Freehold land is carried as historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and cumulative impairment. Historical cost includes expenditure that is directly attributable to acquisition of the items.

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 as per management evaluation are as follows:

Category of Property, plant and equipment	Estimated useful life (in years)
<b>Plant and equipment:</b>	
Toll Collection System	7
DG Sets	12
Air-conditioning and refrigeration equipment	12
Split AC and Window AC	4
Furniture and fixtures	10
<b>Vehicles:</b>	
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
<b>Office equipment:</b>	
Multifunctional devices, printers, switches and projectors	4
Other office equipments	5
<b>Computers:</b>	
Servers and systems	6
Desktops, laptops, etc,	3

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.

## NOTES FORMING PART OF ACCOUNTS (Contd.)

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

### 7 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.

### 8 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, till the date of the Commercial operation date ("COD"). 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 for claims made by the Company are capitalised as part of Toll Collection Rights on acceptance of the claim. Where the Company has a contractual right to an extension in the concession period as per the concession agreement, the same is capitalized when the right to extension in the concession period is established at the estimated amount of eligible claims.

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.

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".

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

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment. Intangible assets are recognized when it is probable that the 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 derecognised when no future economic benefits are expected from use or disposal.

#### c) Amortization 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.

Specialized software is amortized over a period of three 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.



## NOTES FORMING PART OF ACCOUNTS (Contd.)

### 9 Foreign currency transactions and translations

- a) The functional currency of the Company in Indian Rupee
- b) 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.
- 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 recognised as income or expense in the period in which they arise except
  - (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.

### 10 Employee benefits

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

#### (i) Short term employee benefits

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

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

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

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

#### (ii) Post employment benefits

##### (a) Defined contribution plans:

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

##### (b) Defined benefit plans:

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

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Remeasurement, comprising actuarial gains and losses, the return on plan assets (excluding net interest) and any change in the effect of asset ceiling (if applicable) are recognised in other comprehensive income and is reflected immediately in retained earnings and is not reclassified to profit or 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 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 present value of the obligation under long term employee benefit plans such as compensated absences and liability under Retention Pay Scheme is determined based on actuarial valuation using the Projected Unit Credit Method.

## NOTES FORMING PART OF ACCOUNTS (Contd.)

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.

Remeasurements, comprising actuarial gains and losses, the return on plan assets (excluding net interest ) and any change in the effect of asset ceiling (wherever applicable) are recognized immediately in profit or loss.

Gains or losses on the curtailment or settlement of any long-term employee benefit plan are recognized when the curtailment or settlement occurs. Past service, cost is recognized as expense at the earlier of the plan amendment or curtailment and when the Company recognizes related restructuring costs or termination benefits.

### (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.

## 11 Borrowing costs

Borrowing costs include interest calculated using the effective interest method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, allocated to and utilized for acquisition, construction or production of qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset are added to the cost of the assets. A qualifying asset is an asset that necessarily require a substantial period of time to get ready for its intended use for sale. All other borrowing costs are recognized in profit or loss in the year in which they are incurred.

## 12 Segment reporting

The Company 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.

Segment accounting policies are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. The identification of operating segments and reporting of amounts is consistent with performance assessment and resource allocation by the management.

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

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

## 13 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. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.
- (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.

## 14 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit/ loss for the year attributable to the equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of dilutive potential equity shares.

## NOTES FORMING PART OF ACCOUNTS (Contd.)

### 15 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.

### 16 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 with indefinite useful life.

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.

### 17 Provisions, contingent liabilities and contingent assets

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

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

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

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

### 18 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.

## NOTES FORMING PART OF ACCOUNTS (Contd.)

### i. Cash and cash equivalents

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

### ii. Financial assets at amortized cost

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### iii. Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### iv. Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Eg. Investments in mutual funds.

### v. 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 FVOCI, lease receivables, trade receivables and other contractual rights to receive cash or other financial asset and financial guarantees not designated as at FVTPL.

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

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

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

### vi. Derecognition of financial asset

A financial asset is primarily derecognised when:

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

## b) Financial Liabilities

All financial liabilities are measured at amortised cost using the effective interest method or at fair value through profit or loss.

### i. Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL. A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

## NOTES FORMING PART OF ACCOUNTS (Contd.)

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition, if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

### ii. Financial liabilities at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

### iii. Financial liabilities at amortized cost

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

## 19 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.

## 20 Operating Cycle

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

## 21 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.

## 22 Commitments

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

- Estimated amount of contracts remaining to be executed on capital account and not provided for
- Uncalled liability on shares and other investments partly paid
- Funding related commitment to subsidiary, associate and joint venture companies and
- 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 of even date

For and on behalf of the Board

### For SHARP & TANNAN

Chartered Accountants  
(Firm's Registration No. 003792S)

### D VINOD KUMAR

Partner  
Membership No:224549

### P. PADMANABHAN

Chief Financial Officer

### T. S. VENKATESAN

Director  
DIN: 01443165

### MATHEW GEORGE

Director  
DIN: 07402208

Place : Chennai

Date : April 19, 2018

Place : Chennai

Date : April 19, 2018