

## BOARD'S REPORT (SECTION 134)

Dear Members,

The Directors have pleasure in presenting their report and Audited Accounts for the year ended March 31, 2019.

### FINANCIAL RESULTS / FINANCIAL HIGHLIGHTS:

₹In crore		
Particulars	2018-19	2017-18
Profit / (Loss) Before Depreciation, exceptional items & Tax	(0.13)	(0.30)
Less: Depreciation, amortization, impairment and obsolescence	-	-
Profit / (Loss) before exceptional items and tax	(0.13)	(0.30)
Add: Exceptional Items	-	-
Profit / (Loss) before tax	(0.13)	(0.30)
Less: Provision for tax	-	-
Profit / (Loss) for the year carried to the Balance Sheet	(0.13)	(0.30)
Add: Balance brought forward from previous year	(5.36)	(5.06)
<b>Balance to be carried forward</b>	<b>(5.49)</b>	<b>(5.36)</b>

### CAPITAL & FINANCE:

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

### CAPITAL EXPENDITURE:

There were no Capital Expenditure incurred during the year.

### DEPOSITS:

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

### DEPOSITORY SYSTEM:

As on March 31, 2019, 100% of the Company's equity paid up capital representing 4,20,00,000 equity shares @ ₹10/- each are in dematerialized 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. Details of Related Party Transactions are provided in Annexure I (AOC-2).

### STATE OF COMPANY AFFAIRS:

L&T Chennai Tada Tollway Limited (company) entered into Concession Agreement with NHAI on 03.06.2008 for six laning of Chennai Tada section of NH – 5 from km 11.00 to km 54.40 on DBFOT basis. The Company has terminated the Concession Agreement on account of authority default from June 24, 2015.

### CLAIMS RELATED ARBITRATION

As per the terms of Dispute Resolution Mechanism of the Concession Agreement the Arbitration proceedings were to be held in terms of the Rules under the Arbitration and Conciliation Act, 1996.

A number of disputes/claims had arisen in respect of the Concession Agreement.

As the disputes could not be resolved amicably, the same are referred to Arbitration, as per the terms of the Concession Agreement/Supplementary Agreement vide letter dated July 11, 2013. The Company has lodged a claim of ₹583.66 crore under ten different heads.

Arbitral Tribunal was constituted and first sitting was held on March 27, 2015 wherein timelines for completion of pleadings was finalized. Pleadings

## L&T-CHENNAI TADA TOLLWAY LIMITED

and cross examination of the witnesses of both the parties have been concluded. Arguments and counter arguments in the matter has been completed by the Counsel of the Company and Counsel of NHAI, respectively. Now the matter is listed for Rejoinder arguments by the Counsel of the Company on 26<sup>th</sup> and 27<sup>th</sup> of April & 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> of May 2019.

### **TERMINATION RELATED ARBITRATION**

The Company (Concessionaire) has vide Termination Notice dated June 24, 2015 terminated the Concession Agreement for reasons stated therein and requested NHAI to make the Termination Payment amounting to ₹448.89 crore in terms of the Concession Agreement. However, the Project was operated and maintained by the Company till June 23, 2016 since NHAI did not come forward to take over the Project immediately.

NHAI has disputed the Termination of the Concession Agreement (CA) by the concessioner and has also rejected the request of the Company to pay the Termination Payment in terms of the Concession Agreement. The Company has declared the same as Dispute vide its letter dated June 17, 2016. Dispute related to Termination of the Concession Agreement and Termination Payment are referred to the Arbitral Tribunal constituted for adjudicating the Claims related dispute.

The Company had filed Statement of Claims seeking following prayers:

- Declare that the Termination of the CA by the company on account of Authority's Default in terms of Article 37.2.2 of the CA is valid and maintainable.
- Direct the Respondent to pay to the company a sum of ₹454.62 crore + interest towards Termination Payment as per the terms of Article 37.3.2 of the CA on account of termination of the CA by the company for Authority's Default in terms of Article 37.2.2 of the CA.
- NHAI has filed Counter Claims for an amount of ₹583.54 crore and the Company has filed its reply to the same.

Pleadings in the matter has been completed and the arguments in the matter has commenced. Matter is listed on 16<sup>th</sup>, 17<sup>th</sup>, 18<sup>th</sup>, 22<sup>nd</sup> - 25<sup>th</sup> of April, 2019 for further arguments by both the parties. Arguments in the matter is likely to be concluded on April 25, 2019.

### **MATTER BEFORE DEBT RECOVERY TRIBUNAL**

NHAI has disputed the Termination of the CA by the Company and has also rejected the request of the Company for Termination Payment in terms of the Concession Agreement. Post Termination of the CA, the lenders are entitled to Termination Payments to be paid by NHAI. NHAI has challenged the Termination and has not made any payment towards Termination payment, the Lenders have approached the Debt Recovery Tribunal, Chennai (DRT) for recovery of their Debt under Section 19 (1) of the Recovery of Debts Due to banks and Financial Institutions Act, 1993 from the Company. The Application is registered as O.A. No.370 of 2017.

Application has been filed for the recovery of amount of ₹364.03 crore due under the Common Loan Agreement. Pleadings and arguments in the matter have been concluded on March 18, 2019 and now the matter is reserved for Orders.

### **AMOUNT TO BE CARRIED TO RESERVE:**

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

### **DIVIDEND:**

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

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

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

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

No significant or material orders have been passed by the regulators or courts or tribunals other than those disclosed in the earlier part under the head "state of company affairs".

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

#### **Conservation of Energy and Technology absorption**

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

#### **Foreign exchange earnings and outgo**

There were no Foreign exchange earnings and outgo.

### **RISK MANAGEMENT POLICY:**

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

**CORPORATE SOCIAL RESPONSIBILITY:**

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

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

Mr. P.G .Suresh Kumar, Director, retired by rotation in the Annual General Meeting of the Company held on September 26, 2018 and was re-appointed as Director.

Composition of Board of Directors of the Company as on March 31, 2019 stood as below:

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

Mr. C.Ramanan resigned as Chief Financial Officer of the Company with effect from December 27, 2018.

Mr. Vineesh Kumar Parayee was appointed as Manager of the Company with effect from March 18, 2019. Mr. Gopal C Jain was appointed as Chief Financial Officer of the Company with effect from March 18, 2019. Mr. Vaidyanathan S was appointed as Company Secretary of the Company with effect from March 18, 2019.

The Key Managerial Personnel (KMP) of the Company as on March 31, 2019 are:

S. No.	Name	Designation
1	Mr. Vineesh Kumar Parayee	Manager
2	Mr. Gopal C Jain	Chief Financial Officer
3	Mr. Vaidyanathan S	Company Secretary

**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	Board Strength	No. of Directors Present
April 19, 2018	4	3
July 11, 2018	4	3
October 15, 2018	4	3
January 11, 2019	4	3
March 18, 2019	4	3

**INFORMATION TO THE BOARD:**

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

- Annual revenue budgets and capital expenditure plans
- Quarterly financials and results of operations
- Status of Arbitrations/litigations of the lenders
- Minutes of the meeting of the Board of Directors, Audit Committee (AC), Nomination and Remuneration Committee (NRC).
- 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
- 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 half-yearly and annual results, budgets etc.

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

#### AUDIT COMMITTEE:

The Company has constituted an Audit Committee in terms of the requirements of the Companies Act, 2013 comprising of Mr. K.P.Raghavan, Dr. Ashwin Mahalingam, and Mr. T.S.Venkatesan

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

Date	Committee Strength	No. of members Present
April 19, 2018	3	2
July 11, 2018	3	3
October 15, 2018	3	2
January 11, 2019	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. The Head Internal Auditor of the Holding Company was the co-ordinator for the Vigil Mechanism and responsible for receiving, validating, investigating and reporting to the Audit Committee during the year.

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

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.

During the year, 1(one) Nomination and Remuneration committee meeting were held as detailed hereunder:

Date	Committee Strength	No. of members Present
March 18, 2019	3	2

#### 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, 2019, 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.

#### DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms that:

- The concept of a going concern is not applicable as the company has terminated the project and has no operations and the financials have been drawn accordingly. Further explanations are provided under Notes forming part of Accounts attached to this annual report.
- In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have laid down an adequate system of internal financial control with respect to reporting on financial statements and the said system is operating effectively.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

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

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

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

Further, the Independent Directors at their meeting held on November 28, 2018, reviewed the performance of Board, Committees, and Non-Executive Directors. The performance evaluation of the Board, Committees and Directors was also reviewed by the Nomination and Remuneration Committee and the Board of Directors.

**COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:**

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

**PROTECTION OF WOMEN AT WORKPLACE:**

The Company has adopted a policy on Protection of Women's Rights at workplace in line with the policy formulated by the Holding Company. The Company has an internal compliance committee under the Sexual Harrassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. This has been widely disseminated. There were no complaints of sexual harassment received by the Company during the year.

**AUDITORS REPORT:**

The Auditors' Reports on the financial statements for the financial year 2018-19 are unqualified. The Notes to the accounts referred to in the Auditors' Reports are self-explanatory and do not call for any further clarifications under section 134(3)(f) of the Act.

**AUDITOR:**

M/s. M.K.Dandekar & Co. Chartered Accountants, (Firm Reg no: 000679S) were appointed as Statutory Auditors in place of M/s.Gianender & Associates for period of 5 consecutive years to hold office from the conclusion of the 10<sup>th</sup> AGM till the conclusion of the 15<sup>th</sup> AGM to be held in the year 2023 at the Annual General Meeting held on September 26, 2018.

The Audit Report contains the following emphasis of matters:

1. Note F-11 to the financial statements which states that due to the authority default, the Company terminated the project with effect from June 24, 2015. Due to inaction of the authority on termination notice, the Company filed an application under Sec. 9 of Arbitration and Conciliation Act before the Honorable High Court of Delhi. On the direction of the court, authority took over the project on June 23, 2016. On an application made by the Company the Honorable High Court of Delhi directed the National Highways Authority of India (NHAI) to deposit the Toll collections related to the Project with the Escrow Account of the Company till the decision of arbitration tribunal with respect to termination payment determination and settlement.  
  
These collections are adjusted towards NHAI receivable amount towards the Termination claim. In view of the above, the Management is confident of realizing all the amounts accounted as 'Receivable from NHAI - Termination payment' under 'Other Financial Assets' in Note 2 to the Financial Statements.
2. Note F-12 to the financial statements which indicates that going concern assumption is not appropriate, hence the financial statements have been drawn up accordingly.
3. Note 6 to the financial Statements which states that Secured lenders have approached Debt Recovery Tribunal (DRT) for recovery of entire outstanding Term loans.

**EXTRACT OF ANNUAL RETURN:**

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

**ACKNOWLEDGEMENT:**

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

For and on behalf of the Board

Date : April 15, 2019  
Place: Chennai

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

**P.G.SURESH KUMAR**  
Director  
DIN: 07124883

## ***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 arm's length transactions under third proviso thereto**

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

1. Details of contracts or arrangements or transactions not at arm's length basis  
The Company has not entered into such transactions during the year.
2. Details of material contracts or arrangement or transactions at arm's length basis
  - a. There were no material contracts or arrangements entered into by the Company with related party(s) during the FY 2018 – 19 which required shareholders' approval as per Sec. 188(1) of the Companies Act, 2013
  - b. The details of related party transactions during the FY 2018 – 19 form part of the financial statements as per Ind AS 24 and the same is given in Note F(7)

For and on behalf of the Board

*Date : April 15, 2019  
Place: Chennai*

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

**P.G.SURESH KUMAR**  
*Director*  
*DIN: 07124883*

**ANNEXURE II****FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2019***[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	U45309TN2008PLC066938
Registration Date	24/08/2008
Name of the Company	L&T Chennai-Tada Tollway Limited
Category / Sub-Category of the Company	Company Limited by shares/Indian Non-government Company
Address of the Registered office and contact details	P.O.Box.979, Mount Poonamallee Road, Manapakkam, Chennai-600089
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	NSDL Database Management Limited 4 <sup>th</sup> Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Ph: 022 4914 2591

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

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

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

Category of Shareholders	No. of Shares held as on April 1, 2018				No. of Shares held as on March 31, 2019				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	41999995	-	41999995	100	41999995	-	41999995	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	41999995	-	41999995	100	41999995	-	41999995	100	-

## L&amp;T-CHENNAI TADA TOLLWAY LIMITED

Category of Shareholders	No. of Shares held as on April 1, 2018				No. of Shares held as on March 31, 2019				% 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>	41999995	-	41999995	100	41999995	-	41999995	100	-
<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) FIIs	-	-	-	-	-	-	-	-	-
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	-	5*	5*	-	5*	-	5*	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	5*	5*	-	5*	-	5*	-	-
<b>Total Public Shareholding(B)=(B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	41999995	5	42000000	100	42000000	-	42000000	100	-

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



## (ii) Shareholding of Promoters

S.No.	Shareholder's Name	Shareholding as on April 01, 2018			Shareholding as on March 31, 2019			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	L&T IDPL	41999895	99.99	-	41999895	99.99	-	-
2	Larsen & Toubro Limited	100	0.01	-	100	0.01	-	-
	Total	41999995	100	-	41999995	100	-	-

## (iii) Change in Promoters' Shareholding: NIL

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

S. No.	For each of the Promoters	No. of shares	% of total shares	Cumulative Shareholding during the year	
				No. of shares	% of total shares
1.	<b>Mr. K.Vekatesh jointly with L&amp;T IDPL</b>				
	As on April 1, 2018	1	0	1	0
	Share transferred to Mr. Shailesh K. Pathak jointly with L&T IDPL on August 14, 2018	-	-	-	-
	As on March 31, 2019	-	-	-	-
2.	<b>Mr. Shailesh K. Pathak jointly with L&amp;T IDPL</b>				
	As on April 1, 2018	-	-	-	-
	Share transferred from Mr. K.Venkatesh jointly with L&T IDPL on August 14, 2018	1	0	1	0
	As on March 31, 2019	1	0	1	0
3	<b>Mr. J.Subramanian jointly with L&amp;T IDPL</b>				
	As on April 1, 2018	1	0	1	0
	Share transferred to Mr.P.Padmanabhan jointly with L&T IDPL on September 18, 2018	-	-	-	-
	As on March 31, 2019	-	-	-	-
4	<b>Mr. P.Padmanabhan jointly with L&amp;T IDPL</b>				
	As on April 1, 2018	-	-	-	-
	Share transferred from Mr. J.Subramanian jointly with L&T IDPL on September 18, 2018	1	0	1	0
	As on March 31, 2019	1	0	1	0
5	<b>Mr. Karthikeyan T.V jointly with L&amp;T IDPL</b>				
	As on April 1, 2018	1	0	1	0
	No change during the year	-	-	-	-
	As on March 31, 2019	1	0	1	0
6	<b>Mr. R.G.Ramachandran jointly with L&amp;T IDPL</b>				
	As on April 1, 2018	1	0	1	0
	No change during the year	-	-	-	-
	As on March 31, 2019	1	0	1	0

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. T.S.Venkatesan jointly with L&T IDPL				
	As on April 01, 2018	1	0	1	0
	No change in Shareholding during the year	-	-	-	-
	As on March 31, 2019	1	0	1	0

**V. INDEBTEDNESS**

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

(₹ in crore)

Particulars of indebtedness	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
As on April 1, 2018			
i) Principal Amount	342.46	12.51	354.97
ii) Interest due but not paid	8.76	-	8.76
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)	<b>351.22</b>	<b>12.51</b>	<b>363.73</b>
Change the financial year			
· Addition	-	-	-
· Reduction	(14.32)	-	(14.32)
Net Change	(14.32)	-	(14.32)
As on March 31, 2019			
i) Principal Amount	336.90	12.51	349.42
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)	<b>336.90</b>	<b>12.51</b>	<b>349.42</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

- A. Remuneration to Managing Director, Whole-time Directors and/or Manager:** No remuneration was paid to Mr. Vineesh Kumar Parayee, Manager of the Company. He is an employee of the Holding Company.

**B. Remuneration to other directors:**

(Amount in ₹)

Sl. no	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	<b>Dr.Ashwin Mahalingam</b>	<b>Mr.K.P.Raghavan</b>	
	Fee for attending board meeting	1,00,000/-	1,00,000/-	2,00,000/-
	committee meetings	50,000/-	50,000/-	1,00,000/-
	Commission	-	-	-
	Others, please specify	-	-	-
	<b>Total (1)</b>	1,50,000/-	1,50,000/-	3,00,000/-
2	Other Non-Executive Directors	Nil		
	1. Mr. T.S.Venkatesan			
	2. Mr. P.G.Suresh Kumar			
	No Fee for attending board / committee Meetings and no Commission			
	Total (2)			
	Total =(1+2)	1,50,000/-	1,50,000/-	3,00,000/-
	Total Managerial Remuneration			NA
	Overall Ceiling as per the Act(sitting fees)	Not more than Rs1,00,000/- per meeting of Board or Committee Meeting		

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

No remuneration was paid to KMP of the Company. Mr. Gopal C Jain, CFO of the Company is an employee of the Holding Company. Mr. S.Vaidyanathan, Company Secretary is an employee of ultimate holding company.

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

For and on behalf of the Board

Date : April 15, 2019  
Place: Chennai

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

**P.G.SURESH KUMAR**  
Director  
DIN: 07124883

## **INDEPENDENT AUDITORS' REPORT**

To the Members of M/s. L&T Chennai-Tada Tollway Limited

### **REPORT ON THE IND AS FINANCIAL STATEMENTS**

#### **OPINION**

We have audited the Ind AS financial statements of **L&T Chennai-Tada Tollway Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss, changes in equity and its cash flows for the year ended on that date.

#### **BASIS FOR OPINION**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

#### **EMPHASIS OF MATTER**

We draw attention to the following matters in the Notes to the financial statements:

1. Note F-11 to the financial statements which states that due to the authority default, the Company terminated the project with effect from June 24, 2015. Due to inaction of the authority on termination notice, the Company filed an application under Sec. 9 of Arbitration and Conciliation Act before the Honorable High Court of Delhi. On the direction of the court, authority took over the project on June 23, 2016. On an application made by the Company the Honorable High Court of Delhi directed the National Highways Authority of India (NHAI) to deposit the Toll collections related to the Project with the Escrow Account of the Company till the decision of arbitration tribunal with respect to termination payment determination and settlement.  
  
These collections are adjusted towards NHAI receivable amount towards the Termination claim. In view of the above, the Management is confident of realizing all the amounts accounted as 'Receivable from NHAI - Termination payment' under 'Other Financial Assets' in Note 2 to the Financial Statements.
2. Note F-12 to the financial statements which indicates that going concern assumption is not appropriate, hence the financial statements have been drawn up accordingly.
3. Note 6 to the financial Statements which states that Secured lenders have approached Debt Recovery Tribunal (DRT) for recovery of entire outstanding Term loans.

Our opinion is not modified in respect of these matters.

#### **Information other than the ind as financial statements and auditor's report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**MANAGEMENT'S RESPONSIBILITY FOR THE IND AS FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE IND AS FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 'F' to the Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For M.K. DANDEKER & CO.,**  
(ICAI Regn. No. 000679S)

**S. POOSAIDURAI**  
*Partner*  
*Chartered Accountants*  
*Membership No. 223754*

*Date: April 15, 2019*  
*Place: Chennai*

**ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT****(Referred to in our Report of even date)**

1. The Company has no Fixed Assets and Immovable property.
2. The Company is engaged in the business of infrastructure development and maintenance and hence clause 3(ii) of Companies (Auditor's Report) order 2016 relating to inventory is not applicable.
3. 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.
4. According to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 are complied with in respect of loans, investments, guarantees and securities given by the Company, if any.
5. The Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.
6. The maintenance of cost records under Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (as amended) is not applicable for the Company as it does not meet the threshold limit of turnover prescribed under Rule 3 of the Rules. Accordingly, reporting under clause (vi) of the Order does not arise.
7.
  - a. According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and any other statutory dues with the appropriate authorities.
  - b. According to the information and explanation given to us, the details of statutory dues which have not been deposited as on March 31, 2019 on account of disputes are given below:

Particulars	Period to which the amount relates	Forum where the dispute is pending	Amount (In ₹)
Income Tax	A.Y. 2012-13	CIT (Appeals)	63,17,224

8. According to the information and explanation given to us, the Company has defaulted in payment of outstanding amount of loans or borrowings to banks amounting to ₹3,36,90,22,391.
9. According to the information and explanation given to us, the Company has not raised moneys by way of initial public offer or further public offer (including Debt instruments) or term loans during the year and hence clause 3 (ix) of the Companies (Auditor's Report) Order 2016 is not applicable.
10. Based on the information and explanation given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us and based on our examination of the records of the Company, no managerial remuneration has been paid or provided by the company during the year and hence clause 3 (xi) of the Companies (Auditor's Report) Order 2016 is not applicable.
12. The Company is not a Nidhi Company and hence clause 3 (xii) of the Companies (Auditor's Report) Order 2016 is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For M.K. DANDEKER & CO.,**  
(ICAI Regn. No. 000679S)

**S. POOSAIDURAI**  
Partner

Chartered Accountants  
Membership No. 223754

Date: April 15, 2019  
Place: Chennai

## **ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in 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 ("the Act")**

We have audited the internal financial controls over financial reporting of **L&T Chennai-Tada Tollway Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M.K. DANDEKER & CO.,**  
(ICAI Regn. No. 000679S)

**S. POOSAIDURAI**  
Partner

Chartered Accountants  
Membership No. 223754

Date: April 15, 2019  
Place: Chennai



**BALANCE SHEET AS AT MARCH 31, 2019**

Particulars	Note	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>ASSETS</b>			
<b>Current assets</b>			
a) Financial assets			
i) Cash and bank balances	1	365,026	398,243
b) Other Financial assets	2	3,923,523,718	4,066,708,453
c) Current tax assets (net)	3	13,686,670	13,686,670
<b>TOTAL</b>	<b>A</b>	<b>3,937,575,413</b>	<b>4,080,793,366</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Equity share capital	4	420,000,000	420,000,000
b) Other equity	5	(54,918,100)	(53,621,515)
	<b>B</b>	<b>365,081,900</b>	<b>366,378,485</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	6	3,494,170,563	3,549,725,158
ii) Trade payables	7	75,200,225	73,942,135
iii) Other financial liabilities	8	-	87,630,141
b) Other current liabilities	9	3,122,725	3,117,447
	<b>C</b>	<b>3,572,493,513</b>	<b>3,714,414,881</b>
<b>Total Equity and Liabilities</b>	<b>B+C</b>	<b>3,937,575,413</b>	<b>4,080,793,366</b>
Contingent liabilities	D		
Commitments	E		
Other notes forming part of accounts	F		
Significant accounting policies	G		

As per our report attached

For and on behalf of the Board

**For M. K. DANDEKER & CO.**  
Chartered Accountants  
(Firm registration no. 000679S)

by the hand of

**S. POOSAIDURAI**  
Partner  
Membership No. 223754

**GOPAL C JAIN**  
Chief Financial Officer

**VAIDYANATHAN S**  
Company Secretary

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

**K. P. RAGHAVAN**  
Director  
DIN-00250991

Place: Chennai  
Date: April 15, 2019

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
	Note	₹	₹
<b>REVENUE</b>			
Revenue from operations		-	-
<b>Total income</b>		-	-
<b>EXPENSES</b>			
Administration and other expenses	10	1,296,585	3,047,420
<b>Total expenses</b>		1,296,585	3,047,420
<b>Profit/(loss) before tax</b>		(1,296,585)	(3,047,420)
Tax Expenses:			
Current tax		-	-
Deferred tax		-	-
		-	-
<b>Profit/(loss) for the year</b>		(1,296,585)	(3,047,420)
<b>Other comprehensive income:</b>			
i) Items that will not be reclassified to profit or loss (net of tax)		-	-
ii) Items that will be reclassified to profit or loss (net of tax)		-	-
<b>Total comprehensive income for the year</b>		(1,296,585)	(3,047,420)
Earnings per equity share (basic and diluted)		(0.03)	(0.07)
Face value per equity share		10.00	10.00
Other notes forming part of accounts	F		
Significant accounting policies	G		

As per our report attached

For and on behalf of the Board

**For M. K. DANDEKER & CO.**  
Chartered Accountants  
(Firm registration no. 000679S)

by the hand of

**S. POOSAIDURAI**  
Partner  
Membership No. 223754

**GOPAL C JAIN**  
Chief Financial Officer

**VAIDYANATHAN S**  
Company Secretary

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

**K. P. RAGHAVAN**  
Director  
DIN-00250991

Place: Chennai  
Date: April 15, 2019

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

S.No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
		₹	₹
A	<b>Net profit / (loss) before tax</b>	<b>(1,296,585)</b>	<b>(3,047,420)</b>
	<b>Adjustments for:</b>		
	Interest expense	-	-
	<b>Operating profit before working capital changes</b>	<b>(1,296,585)</b>	<b>(3,047,420)</b>
	<b>Adjustments for:</b>		
	Increase / (decrease) in trade payables	1,258,090	1,856,030
	Increase / (decrease) in other current liabilities	5,278	(24,418)
	Increase / (decrease) in other current financial liabilities	(609,503,372)	(585,852,868)
	(Increase) / decrease in other current assets	143,184,736	111,840,503
	<b>Net cash generated from/(used in) operating activities</b>	<b>(466,351,854)</b>	<b>(475,228,173)</b>
	Direct taxes paid (net of refunds)	-	-
	<b>Net Cash(used in)/generated from Operating Activities</b>	<b>(466,351,854)</b>	<b>(475,228,173)</b>
B	<b>Cash flow from investing activities</b>		
	Interest received	-	-
	<b>Net cash (used in)/generated from investing activities</b>	<b>-</b>	<b>-</b>
C	<b>Cash flow from financing activities</b>		
	<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(609,536,589)</b>	<b>(590,135,000)</b>
	Interest paid	553,948,778	585,836,100
	Repayment of loan	55,554,595	-
	Cash and cash equivalents as at the beginning of the year	398,243	4,697,143
	<b>Cash and cash equivalents as at the end of the year</b>	<b>365,026</b>	<b>398,243</b>

**Notes:**

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

See accompanying notes forming part of the Financial Statements

As per our report attached

**For and on behalf of the Board**

**For M. K. DANDEKER & CO.**

Chartered Accountants  
(Firm registration no. 000679S)

by the hand of

**S. POOSAIDURAI**  
Partner  
Membership No. 223754

**GOPAL C JAIN**  
Chief Financial Officer

**VAIDYANATHAN S**  
Company Secretary

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

**K. P. RAGHAVAN**  
Director  
DIN-00250991

Place: Chennai

Date: April 15, 2019

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1 CASH AND BANK BALANCES

Particulars	As at March 31, 2019	As at March 31, 2018
	₹	₹
<b>Balances with Banks</b>		
a) In Current Accounts	365,026	398,243
	<b>365,026</b>	<b>398,243</b>

### 2 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2019			As at March 31, 2018		
	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹
<b>Other Financial assets</b>						
Receivable from NHAI (Refer Note Below)	3,923,523,717	-	3,923,523,717	4,066,708,453	-	4,066,708,453
	<b>3,923,523,717</b>	<b>-</b>	<b>3,923,523,717</b>	<b>4,066,708,453</b>	<b>-</b>	<b>4,066,708,453</b>

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

### 3 CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2019			As at March 31, 2018		
	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹
Income tax net of provisions	13,686,670		13,686,670	13,686,670		13,686,670
	<b>13,686,670</b>	<b>-</b>	<b>13,686,670</b>	<b>13,686,670</b>	<b>-</b>	<b>13,686,670</b>

### 4 SHARE CAPITAL

#### (i) Authorised, issued, subscribed and paid up

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	₹	No. of shares	₹
Authorised:				
Equity shares of ₹10 each	45,000,000	450,000,000	45,000,000	450,000,000
Issued, subscribed and fully paid up				
Equity shares of ₹10 each	42,000,000	420,000,000	42,000,000	420,000,000

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

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

Particulars	As at As at March 31, 2019		As at As at March 31, 2018	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	42,000,000	420,000,000	42,000,000	420,000,000
Issued during the year as fully paid	-	-	-	-
At the end of the year	42,000,000	420,000,000	42,000,000	420,000,000

### (iii) Terms / rights attached to shares

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

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

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

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

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

Particulars	As at As at March 31, 2019		As at As at March 31, 2018	
	No. of shares	₹	No. of shares	₹
L&T Infrastructure Development Projects Limited - Holding Company (including nominee holding)	41,999,900	419,999,000	41,999,900	419,999,000
Larsen and Toubro Limited (ultimate holding company)	100	1,000	100	1,000
	42,000,000	420,000,000	42,000,000	420,000,000

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

Particulars	As at As at March 31, 2019		As at As at March 31, 2018	
	No. of shares	%	No. of shares	%
L&T Infrastructure Development Projects Limited (including nominee holding)	41,999,900	100%	41,999,900	100%

### (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

## 4 EQUITY SHARE CAPITAL

Balance as at April 01, 2018		Changes in equity share capital during the year		Balance as at March 31, 2019	
No of shares	₹	No of shares	₹	No of shares	₹
42,000,000	420,000,000	-	-	42,000,000	420,000,000

## 5 OTHER EQUITY AS AT MARCH 31, 2019

Particulars	Reserves & Surplus	
	Retained earnings	Total
Balance at the beginning of the year	(53,621,515)	(53,621,515)
Total comprehensive income for the year	(1,296,585)	(1,296,585)
Balance at the end of the year	(54,918,100)	(54,918,100)

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

OTHER EQUITY AS AT MARCH 31, 2018

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

**6 BORROWINGS**

Particulars	As at As at March 31, 2019			As at As at March 31, 2018		
	Current	Non current	Total	Current	Non current	Total
	₹	₹	₹	₹	₹	₹
Secured						
a) Term loans						
i) From banks	3,369,022,391	-	3,369,022,391	3,424,576,986	-	3,424,576,986
Unsecured						
a) Loan from related party	125,148,172	-	125,148,172	125,148,172	-	125,148,172
	<u>3,494,170,563</u>	<u>-</u>	<u>3,494,170,563</u>	<u>3,549,725,158</u>	<u>-</u>	<u>3,549,725,158</u>

**Terms of interest & repayment:**

Particulars	Effective interest rate		Terms of repayment
	2018-19	2017-18	
Rupee Term loans			
Andhra Bank	Refer note*	Refer note*	Repayable in unequal quarterly instalments from December 31, 2013 till June 30, 2024, ranging from ₹1,18,75,000 to ₹26,12,50,000.
IDBI			
Vijaya Bank			
United Bank of India			
Unsecured Loan from Holding company	Nil	Nil	Repayable post settlement of Rupee Term Loans

**Nature of Security**

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

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

Particulars	As at March 31, 2019	As at March 31, 2018
Long term borrowings	-	-
Current maturities of long term borrowings	3,369,022,391	3,424,576,986
	<u>3,369,022,391</u>	<u>3,424,576,986</u>

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

**Defaults in repayment of Term Loan & Interest**

The Company has defaulted in repayment of interest and principal due to the lenders since September 2015. The lenders of the Company had issued recall notices to the Company for immediate settlement of the outstanding dues. During the year, the lead bank had filed a recovery petition before the Debt Recovery Tribunal, Chennai for recovery of their dues. Arguments in the matter has been completed on March 18, 2019 and the same is reserved for orders.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)****7 TRADE PAYABLES**

Particulars	As at As at March 31, 2019	As at As at March 31, 2018
	₹	₹
Acceptances		
Due to related parties	62,428,572	59,265,610
Due to others	12,771,653	14,676,525
	<b>75,200,225</b>	<b>73,942,135</b>

**8 OTHER FINANCIAL LIABILITIES**

Particulars	As at As at March 31, 2019			As at As at March 31, 2018		
	Current	Non current	Total	Current	Non current	Total
	₹	₹	₹	₹	₹	₹
Interest accrued on Term Loans	-	-	-	87,630,141	-	87,630,141
	-	-	-	87,630,141	-	87,630,141

**9 OTHER CURRENT LIABILITIES**

Particulars	As at As at March 31, 2019			As at As at March 31, 2018		
	Current	Non current	Total	Current	Non current	Total
	₹	₹	₹	₹	₹	₹
a) Statutory Liabilities	25,958	-	25,958	-	-	-
b) Outstanding Liabilities	3,096,767	-	3,096,767	3,117,447	-	3,117,447
	<b>3,122,725</b>	-	<b>3,122,725</b>	<b>3,117,447</b>	-	<b>3,117,447</b>

**D CONTINGENT LIABILITIES**

The Company has a Contingent liability of ₹63,17,224 towards demand notice under Sec. 156 of Income tax act, 1961 for A.Y. 2012-13 (previous year: ₹13,63,03,014)

**E COMMITMENTS**

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

**10 ADMINISTRATION AND OTHER EXPENSES**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	₹	₹
Rates and taxes	99,859	995,914
Legal and Professional fees	579,686	780,196
Director Sitting fees	347,700	249,100
Payments to Auditor (Refer note below)	236,000	861,435
Repairs and maintenance - others	-	6,875
Miscellaneous expenses	33,340	153,900
	<b>1,296,585</b>	<b>3,047,420</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)****Payments to Auditor (including Goods and Service Tax) :**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	₹	₹
a) As auditor	236,000	318,010
b) For taxation matters	-	11,500
c) For other services	-	531,925
<b>Total</b>	<b>236,000</b>	<b>861,435</b>

**F) NOTES FORMING PART OF THE FINANCIAL STATEMENTS****1) Corporate Information**

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

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

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

**4) Disclosure pursuant to Ind AS 19 "Employee benefits":**

The Company does not have any employees on roll since July 01, 2016. Hence, the disclosure for Employee Benefits as at March 31, 2019 is not applicable.

**5) Disclosure pursuant to Ind AS 23 "Borrowing Costs"**

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

**6) Disclosure of segment information pursuant to Ind AS 108 "Operating Segments"**

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

**7) Disclosure of related parties / related party transactions pursuant to Ind AS 24 "Related Party Disclosures"****a) List of related parties**

<b>Ultimate Holding Company</b>	:	Larsen & Toubro Limited
<b>Holding Company</b>	:	L&T Infrastructure Development Projects Limited

<b>Fellow Subsidiaries</b>	L&T Deccan Tollways Limited
	Krishnagiri Thopur Toll Road Limited
	Devihalli Hassan Tollway Limited
	L&T Interstate Road Corridor Limited
	Kudgi Transmission Limited
	Krishnagiri Walajahpet Tollway Limited
	L&T Transportation Infrastructure Limited



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

### b) Disclosure of related party transactions:

Particulars	2018-19	2017-18
	₹	₹
<b>1 Holding Company</b>		
<b>L&amp;T Infrastructure Development Projects Limited</b>		
• Reimbursement of expenses (Payable)	3,162,962	40,459,207

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

Particulars	( Amount in ₹ )	
	Amounts due (to)/from	
	As at March 31, 2019	As at March 31, 2018
<b>Ultimate Holding Company</b>		
Larsen & Toubro Limited	(23,903,154)	(23,903,154)
<b>Holding Company</b>		
L&T Infrastructure Development Projects Limited		
Unsecured loan (incl. accrued interest)	(125,148,172)	(125,148,172)
Expenses payable	(43,622,169)	(40,459,207)
<b>Fellow Subsidiaries</b>		
L&T Deccan Tollways Limited	1,365,708	1,365,708
Krishnagiri Thopur Toll Road Limited	69,024	69,024
Devihalli Hassan Tollway Limited	509,759	509,759
L&T Interstate Road Corridor Limited	635,934	635,934
Kudgi Transmission Limited	40,895	40,895
Krishnagiri Walajahpet Tollway Limited	2,466,463	2,466,463
L&T Transportation Infrastructure Limited	8,968	8,968

### d) Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2019, the Holding Companies have not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2019: INR Nil, March 31, 2018: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

### 8) Disclosure pursuant to Ind AS 17 "Leases"

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

### 9) Disclosure pursuant to Ind AS 33 "Earnings per share"

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

Particulars		2018-19	2017-18
		₹	₹
<b>Basic and Diluted</b>			
Profit after tax as per accounts (₹)	A	(1,296,585)	(3,047,420)
Weighted average number of shares outstanding	B	42,000,000	42,000,000
<b>Basic and Diluted EPS (₹)</b>	A / B	(0.03)	(0.07)
Face value per equity share (₹)		10.00	10.00

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

### **10) Disclosure pursuant to Ind AS 36 "Impairment of Assets"**

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

### **11) Arbitration**

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

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

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

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

#### **a) Contingent Liabilities :**

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

### **15) Disclosure as per Ind AS 1 - "Presentation of Financial Statements"**

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

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

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

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

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

17) Previous year figures are regrouped/reclassified wherever necessary.

### **18) Financial Risk Management**

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

#### **Market risk**

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

#### **i Foreign Currency Risk**

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

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

#### **ii Interest rate risk**

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

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

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

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

**iii Price risk 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 not currently exposed to price risk as there is no investments in mutual funds.

**iv Liquidity risk**

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

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

**v Credit risk**

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

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

### G. SIGNIFICANT ACCOUNTING POLICIES

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

#### 1. Basis of preparation

**(a) Compliance with IndAS**

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

**(b) Basis of measurement**

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

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

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

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

**(d) Measurement of fair values**

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

- 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).

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

### **2 Presentation of financial statements**

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

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

### **3 Cash and bank balances**

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

### **4 Cash flow statement**

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

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

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

### **5 Borrowing costs**

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

### **6 Earnings per share**

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

### **7 Income taxes**

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

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

'Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However deferred income tax is not accounted if it arises from the initial recognition of an asset or liability that at the time of the transaction affects neither the accounting profit nor taxable profit (tax loss). Deferred income tax is

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

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.

### 8 Provisions, contingent liabilities and contingent assets

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

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

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

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

### 9 Claims

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

### 10 Commitments

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

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

As per our report attached

For and on behalf of the Board

**For M. K. DANDEKER & Co.**  
Chartered Accountants  
(Firm registration no. 000679S)

by the hand of

**S. POOSAIDURAI**  
Partner  
Membership No. 223754

**GOPAL C JAIN**  
Chief Financial Officer

**VAIDYANATHAN S**  
Company Secretary

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

**K. P. RAGHAVAN**  
Director  
DIN-00250991

Place: Chennai  
Date: April 15, 2019