BOARD'S REPORT

Dear Members,

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

FINANCIAL RESULTS / FINANCIAL HIGHLIGHTS:

(₹in crore)

Particulars	**2018-19**	*2017-18*
Profit / (Loss) Before Depreciation, exceptional items & Tax	**(24.17)**	*(20.15)*
Less: Depreciation, amortization, impairment and obsolescence	**25.34**	*24.49*
Profit / (Loss) before exceptional items and tax	**(49.51)**	*(44.64)*
Add: Exceptional Items	**–**	–
Profit / (Loss) before tax	**(49.51)**	*(44.64)*
Less: Provision for tax	**–**	–
Profit for the period carried to the Balance Sheet	**(49.51)**	*(44.64)*
Add: Other comprehensive Income	**–**	*(0.02)*
Total Comprehensive income of the year	**(49.51)**	*(44.66)*
Add: Balance brought forward from previous year	**(601.31)**	*(556.65)*
Balance to be carried forward	**(650.82)**	*(601.31)*

STATE OF COMPANY AFFAIRS:

The gross revenue (excluding revenue share of GSRDC) and other income for the financial year under review were ₹86.32 crore as against ₹84.68 crore for the previous financial year registering an increase of 1.94 %. The loss before tax and loss after tax was ₹49.51 crore for the financial year under review as against ₹44.64 crore and ₹44.66 crore respectively for the previous financial year, registering an increase in loss by 10.89 % respectively.

During the year 2016-17 the senior lenders of the Company had implemented the Strategic Debt Restructuring Scheme (SDR) to resolve the financial / operating stress on the Company. As per the scheme part of the senior debt was converted into equity shares to an aggregate of 51.03% of the paid up equity capital and the promoters holding, resulting in 48.97%. The Company has since managed to meet all the debt service obligation as envisaged under the SDR, leaving aside the dues for IIFCL, as they were not part of the above restructuring.

Further, an application has been filed by one of the senior lenders, M/s. Oriental Bank of Commerce with National Company Law Tribunal (NCLT) against the Company for non – fulfilment of the proposed resolution plans other than debt obligations. The matter has been heard by the NCLT from both the parties and order is awaited.

CAPITAL & FINANCE:

During the year under review there were no allotment of shares / debentures

CAPITAL EXPENDITURE:

As at March 31, 2019 the gross fixed and intangible assets including leased assets, stood at ₹1273.96 crore and the net fixed and intangible assets, including leased assets, at ₹1128.34 crore. Capital Expenditure during the year amounted to ₹ 0.17 crore however the company has not incurred any capital expenditure towards Intangible assets.

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 the shares of the Company are held in the following manner:

EQUITY SHARES:

100% of the Company's equity paid up capital representing 79,53,46,125 equity shares @ ₹10/- each are in dematerialized form

OPTIONALLY CONVERTIBLE PREFERENCE SHARES (OCPS):

100% of the preference share capital representing 13,05,00,000 OCPS @ ₹10/- each are in dematerialized form..

SUBSIDIARY/ASSOCIATE/JOINT VENTURE 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.

Details of loans given, investments made or guarantees given or security is provided in Note F to this Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:
All related party transactions during the year have been approved in terms of the Act and all related party transactions were at arms'- length and in the ordinary course of business. The details of Related Party Transactions are provided in **Annexure I (AOC-2)**.

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:
No material changes or commitments adversely affecting the financial position of the Company have occurred between the end of the financial year and the date of this report.

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

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

Foreign exchange earnings and outgo
During the year the Company had incurred expenditure in foreign currency for an amount of ₹29,62,614/-.

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

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

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED / RESIGNED DURING THE YEAR:
Mr. Karthikeyan T.V, Director who had retired by rotation at the Annual General Meeting held on September 26, 2018 being eligible was re-appointed as Director at the said meeting. Mr. T.L.Sudhidar had resigned as Nominee Director on January 14, 2019 due to withdrawal of his nomination by M/s. Allahabad Bank and Mr. Sankaralingam R. nominee of M/s. Allahabad Bank was appointed in his place with effect from January 14, 2019.

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

S. No.	Name of the Director	Designation	DIN
1	Mr. Karthikeyan T.V.	Director	01367727
2	Dr. Esther Malini	Woman Director	07124748
3	Mr. Sankaralingam R.	Nominee Director	08331050
4	Dr. K.N.Satyanarayana	Independent Director	02460153
5	Mr. K.P.Raghavan	Independent Director	00250991

Mr. Dheeraj Khanna resigned as Manager with effect from January 15, 2019 and Mr. Salimuddin Marufmiya Hashemi was appointed as Manager with effect from March 14, 2019.

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

S.No.	Name	Designation	Date of Appointment
1	Mr. Salimuddin Marufmiya Hashemi	Manager	March 14, 2019
2	Mr. J.M. Lingareddy Vonteddu	Chief Financial Officer	April 26, 2017
3	Ms. Sipra Paul	Company Secretary	April 26, 2017

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:
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 20, 2018	5	4
July 14, 2018	5	2
October 20, 2018	5	3
January 14, 2019	5	4
March 14, 2019	5	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 & 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, management development and planning, half-yearly and annual results, budgets, treasury, review of Internal Audit reports, 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 are asked to make presentations about performance of the Company.

AUDIT COMMITTEE:
The Company has constituted an Audit Committee in terms of the requirements of the Companies Act, 2013 comprising of Mr. K.P.Raghavan, Dr. K.N.Satyanarayana, and Mr. Karthikeyan T.V.

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

Date	Strength	No. of Members Present
April 20, 2018	3	2
July 14, 2018	3	2
October 20, 2018	3	3
January 14, 2019	3	3

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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 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.

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

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

COMPANY POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION:

The Company had constituted the Nomination and Remuneration Committee in accordance with the requirements of the Act read with the Rules made thereunder comprising of Mr. K.P.Raghavan, Dr. K.N.Satyanarayana, and Mr. Karthikeyan T.V.

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

Date	Strength	No. of Members Present
March 14, 2019	3	3

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

DECLARATION OF INDEPENDENCE:

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2018, the Audit Committee and the Board opined 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:

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 & 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 ANNUAL GENERAL MEETINGS

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

PROTECTION OF WOMEN AT WORKPLACE:

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

AUDITORS REPORT:

The Auditors' Report on the financial statements for the financial year 2018-19 is 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.

AUDITORS:

The Company in the 7th Annual General Meeting held on September 23, 2015 for the FY 2015-16 had appointed M/s. T.R.Chadha & Co. LLP, Chartered Accountants, (Firm Reg No: 06711N), Ahmedabad as Auditors of the Company to hold office until the conclusion of the 12th Annual General Meeting of the Company to be held during the year 2020.

SECRETARIAL AUDIT REPORT:

M/s. B.Chitra & Co, a firm of Company Secretaries in practice, was appointed to conduct the Secretarial Audit for the financial year 2018 – 19 as required under Section 204 of the Act and rules made thereunder.

The Secretarial Audit Report dated April 18, 2019 to the shareholders, issued by Ms. B.Chitra (CoP No.2928), proprietor is attached as **Annexure II** to this Report and contains the following qualification:

The information regarding details of Related Party transactions carried at arms length basis should have been included in the Directors Report for the financial year ended 31st March 2018

Managements' response

During the year 2017 – 18 all related party transaction were entered at arms – length basis amongst which there were no related party transaction which required shareholders' approval as per section 188 of the Act to be considered as material transactions for disclosure in Form AOC-2.

DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

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 III** 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

	KARTHIKEYAN. T.V	**DR.ESTHER MALINI**
Date : 19.04.2019	*Director*	*Director*
Place: Chennai	*DIN: 01367727*	*DIN: 07124748*

ANNEXURE I

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the 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 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 G(5)

For and on behalf of the Board

	KARTHIKEYAN. T.V	**DR.ESTHER MALINI**
Date : 19.04.2019	*Director*	*Director*
Place: Chennai	*DIN: 01367727*	*DIN: 07124748*

ANNEXURE II

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2019.

[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 Halol - Shamlaji Tollway Limited
P B NO.979, Mount Poonamalle Road, Manapakkam,
Chennai - 600089

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by L&T Halol - Shamlaji Tollway Limited (hereinafter called the "Company").

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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 the secretarial audit, We hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019, generally 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

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

(ii) *The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) *The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(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;

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

  (a) *The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) *The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

  (c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) *The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

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

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

  (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

  (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) The other laws applicable specifically to the company: NIL

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

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

We have also examined compliance with the applicable clauses of the following:

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

(ii) ***** Listing Obligations and Disclosure Regulations of Securities Exchange Board of India.

Note:

**** Denotes "NOT APPLICABLE"***.

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

1. **The information regarding details of Related Party transactions carried at arms length basis should have been included in the Directors Report for the financial year ended 31st March 2018.**

We further report that
The Board of Directors of the Company is duly constituted with proper balance of Directors, Women Director and Independent Directors. 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 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.

We 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.

We further report that during the audit period, the company had not entered into major transactions/ events:

This report has to be read along with our statement furnished in Annexure A

For **Chitra &Co**

B. CHITRA
FCS No.:4509
C P No.:2928

Place: Chennai
Date: April 18,2019

ANNEXURE 'A'

To,

The Members,

L&T Halol - Shamlaji Tollway Limited

P B NO.979, Mount Poonamalle Road, Manapakkam,

Chennai - 600089

Dear Sir(s),

Sub.: Secretarial Audit Report for the Financial Year ended 31.03.2019

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.

We have followed the audit practices and processes 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 processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. Our examination was limited to the verification of procedures on test basis.

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 **Chitra &Co**

B. CHITRA
FCS No.:4509
C P No.:2928

Place: Chennai
Date: April 18,2019

ANNEXURE III

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	U45203TN2008PLC069210
Registration Date	09/09/2008
Name of the Company	L&T Halol – Shamlaji 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	48.97%	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	% of Total Shares	Demat	Physical	Total	
A. Promoters									
1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	389519594	–	–389519594	48.97	389519594	–	389519594	48.97	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other….	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	**389519594**	–	**389519594**	**48.97**	**389519594**	–	**389519594**	**48.97**	–
2) Foreign									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Other….	–	–	–	–	–	–	–	–	–
Sub-total (A) (2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) =(A)(1) +(A)(2)	**389519594**	–	**389519594**	**48.97**	**389519594**	–	**389519594**	**48.97**	–
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	405826525	–	405826525	51.03	405826525		405826525	51.03	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt (s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds									
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B) (1):-	**405826525**	**–**	**405826525**	**51.03**	**405826525**		**405826525**	**51.03**	–
2) Non-Institutions									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	–	6*	6*	0	6*	–	6*	0	–

ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	–	–	–	–	–	–	–	–	–
c) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B) (2):-	**–**	**6***	**6***	**0**	**6***	**–**	**6***	**0**	**–**
Total Public shareholding (B)=(B)(1)+(B)(2)	**405826525**	**6***	**405826531**	**51.03**	**405826531**		**405826531**	**51.03**	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	**795346019**	**6***	**795346025**	**100**	**795346025**	–	**795346025**	**100**	**–**

**Including shares held by individuals jointly with L&T Infrastructure Development Project Limited (Holding Company).*

(ii) Shareholding of Promoters

S. No	Shareholder's Name	No. of Shares held as on April 1, 2018						No. of Shares held as onMarch 31, 2019						% change in share holding during the year
		Equity Shares			Optionally Convertible Preference Shares			Equity Shares			Optionally Convertible Preference Shares			
		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	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	389519494	48.97	100	130500000	100	100	389519494	48.97	100	130500000	100	100	–
2	Larsen & Toubro	100	0	–	–	–	–	100	0	–	–	–	–	–
	Total	**389519594**	**48.97**	**100**	**130500000**	**100**	**100**	**389519594**	**48.97**	**100**	**130500000**	**100**	**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 Top 10 Shareholders	No. of shares	% of total shares	Cumulative Shareholding during the year	
				No. of shares	% of total shares
1.	**Mr. K. Venkatesh jointly with L&T IDPL**				
	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.	**Mr. Shailesh K. Pathak jointly with L&T IDPL**				
	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.	**Mr. J.Subramanian jointly with L&T IDPL**				
	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.	**Mr. P.Padmanabhan jointly with L&T IDPL**				
	As on April 1, 2018	–	–	–	–

S. No.	For Each of the Top 10 Shareholders	No. of shares	% of total shares	Cumulative Shareholding during the year	
				No. of shares	% of total shares
	Share Transferred from Mr. J.Subramanian jointly with L&T IDPL jointly with L&T IDPL on September 18, 2018	1	0	1	0
	As on March 31, 2019	1	0	1	0
5.	**Mr. T.S.Venkatesan jointly with L&T IDPL**				
	As on April 1, 2018	1	0	1	0
	No change in Shareholding during the year	–	–	–	–
	As on March 31, 2019	1	0	1	0
6.	**Mr. R.G.Ramachandran jointly with L&T IDPL**				
	As on April 1, 2018	1	0	1	0
	No change in Shareholding during the year	–	–	–	–
	As on March 31, 2019	1	0	1	0
7.	**Mr. P.G.Suresh Kumar jointly with L&T IDPL**				
	As on April 1, 2018	1	0	1	0
	No change in Shareholding during the year	–	–	–	–
	As on March 31, 2019	1	0	1	0
8.	**Allahabad Bank**				
	As on April 1, 2018	79808974	10.03	79808974	10.03
	No change in Shareholding during the year	–	–	–	–
	As on March 31, 2019	79808974	10.03	79808974	10.03
9.	**UCO Bank**				
	As on April 1, 2018	75813760	9.53	75813760	9.53
	No change in Shareholding during the year	–	–	–	–
	As on March 31, 2019	75813760	9.53	75813760	9.53
10.	**Oriental Bank of Commerce**				
	As on April 1, 2018	68817298	8.65	68817298	8.65
	No change in Shareholding during the year	–	–	–	–
	As on March 31, 2019	68817298	8.65	68817298	8.65
11.	**Syndicate Bank**				
	As on April 1, 2018	59492481	7.48	59492481	7.48
	No change in Shareholding during the year	–	–	–	–
	As on March 31, 2019	59492481	7.48	59492481	7.48
12.	**Indian Bank**				
	As on April 1, 2018	44723187	5.63	44723187	5.63
	No change in Shareholding during the year	–	–	–	–

S. No.	For Each of the Top 10 Shareholders	No. of shares	% of total shares	Cumulative Shareholding during the year	
				No. of shares	% of total shares
	As on March 31, 2019	44723187	5.63	44723187	5.63
13.	**HDFC Bank**				
	As on April 1, 2018	32807338	4.13	32807338	4.13
	No change in Shareholding during the year	–	–	–	–
	As on March 31, 2019	32807338	4.13	32807338	4.13
14.	**IndusInd Bank**				
	As on April 1, 2018	44363487	5.58	44363487	5.58
	No change in Shareholding during the year	–	–	–	–
	As on March 31, 2019	44363487	5.58	44363487	5.58

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and KMP	No. of shares	% of total shares	Cumulative Shareholding during the year	
				No. of shares	% of total shares
1.	**Mr. Karthikeyan T.V. jointly with L&T IDPL**				
	As on April 1, 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:

(Amount in ₹)

Particulars of Indebtedness	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
As on April 1, 2018			
i) Principal Amount	5,798,191,515	–	579,81,91,515
ii) Interest due but not paid	7,55,67,256	–	7,55,67,256
iii) Interest accrued but not due	–	–	–
Total (i+ii+iii)	**587,37,58,771**	**–**	**587,37,58,771**
Changes during the financial year			
Addition	8,03,43,061	–	8,03,43,061
Reduction	26,33,71,325	–	26,33,71,325
Net Change	**34,37,14,386**	**–**	**34,37,14,386**
As on March 31, 2019			
i) Principal Amount	553,48,20,190	–	553,48,20,190
ii) Interest due but not paid	15,59,10,317	–	15,59,10,317
iii) Interest accrued but not due	–	–	–
Total (i+ii+iii)	**569,07,30,507**	–	**569,07,30,507**

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. Salimuddin M. Hashemi	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29,557*	29,557*
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission as % of profit	–	–
5.	Others, please specify	–	–
	Total	29,557*	29,557*
	Ceiling as per the Act	**1,26,65,658**	**1,26,65,658**

**Salary with effect from March 14, 2019*

B. Remuneration to other Directors:

(Amount in ₹)

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

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

No remuneration was paid to Key Managerial Personnel other than Manager. Ms. Sipra Paul, Company Secretary and Mr. J.M.Lingareddy Vonteddu, CFO are employees of the Holding Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

Date : 19.04.2019
Place: Chennai

KARTHIKEYAN. T.V
Director
DIN: 01367727

DR.ESTHER MALINI
Director
DIN: 07124748

INDEPENDENT AUDITOR'S REPORT

To the Members of L&T Halol Shamlaji Tollway Limited

Report on the Audit of the Standalone Financial Statements

Auditor's Opinion

We have audited the accompanying standalone financial statements of **L&T Halol Shamlaji Tollway Limited** ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and Loss, total comprehensive income, 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 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 together with the ethical requirements that are relevant to our audit of the 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention Note No 16 which indicates that the company's current liabilities exceeded the current assets by ₹**212.88 Crores** which includes Revenue share including interest payable to GSRDC amounting to ₹**64.15 Crores** and Provision for Major Maintenance for ₹**100.20 Crores**.

Company has already raised the dispute for revenue share and as per the concession agreement Conciliation committee meeting happened among the parties and the company is awaiting for the outcome of the same. Major Maintenance Reserve will be spent depending on the maintenance requirement as per the Concession Agreement. Hence considering the said facts, financials have been prepared with the assumption of Going Concern.

Our opinion is not qualified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report and Annexure to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Management's Responsibility for the Standalone Financial Statement

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 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.

In preparing the 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

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

1. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, no managerial remuneration has been paid or provided during the period under audit, hence provisions of section 197 of the Act is not applicable to the company.
   h) 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 does not have any pending litigations which would impact its Ind AS financial position.
      II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      III. There were no amounts which were required to be transferred to the investor's education and protection fund by the company.

For T R Chadha & Co LLP
Firm's Reg. No-: 006711N/N500028
Chartered Accountants

Arvind Modi
Partner
Membership No-112929

Place: Chennai
Date: 19/04/2019

ANNEXURE A

L&T HALOL SHAMLAJI TOLLWAY LIMITED

Annexure to Independent Auditors' Report for the period ended March 2019

(Referred to in Paragraph 1 under the Heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)

(i) Fixed Assets

a) The Company has maintained proper records showing full particulars including quantitative details and situtation of fixed assets.

b) The fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size & nature of the company. No material discrepancies were noted on such verification.

c) According to the information and explanations given to us, there are no immovable assets held by the company, hence clause C of paragraph 3 (i) of the order is not applicable to the Company.

(ii) Inventories

The Company is engaged in the business of Infrastructure development and its maintenance and there is no inventory inhand at any point of time, hence paragraph 3 (ii) of the order is not applicable to the Company.

(iii) Loans given

The Company has not granted any Secured or unsecured loan to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence reporting under clause 3 (iii) (a), (b) and (c) does not arise.

(iv) Compliance of Sec. 185 & 186

The Company has not entered into any transaction in resect of loans, investments, guarantee and security which attracts compliance to provisions of section 185 & 186 of the Companies Act, 2013, therefore, paragraph 3 (iv) of the order is not applicable to the company.

(v) Public Deposit

During the year, the company has not accepted any deposits from the public, therefore, paragraph 3 (v) of the order is not applicable.

(vi) Cost Records

In our opinion and according to information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under Section 148(1) of the Companies Act, for the services provided by the company **therefore, paragraph 3 (vi) of the order is not applicable to the company.**

(vii) Statutory Dues

a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has generally been regular in depositing its undisputed statutory dues including Provident Fund, Employees State Insurance, income-tax, Goods & Service Tax, and cess etc. except delay in deposition of statutory dues in some cases during the year. There are no undisputed dues payable, outstanding as on 31st March, 2019 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no amounts in respect of income tax, Goods & Service tax etc. that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The company has defaulted in repayment of loans or borrowings to a financial institutions & banks. Lender wise details are as under:

(₹in Lakhs)

Name of Lender	Interest	Principal	Total Amt	Period to which it relates
Indian Infrastructure Finance Company Limited (IIFCL)	1,559.10	271.58	1,830.68	April'16 to March'19

(ix) The Company has not raised money by way of initial public offer or further public offer (including debt instrument) any term loans during the period under audit therefore, paragraph 3 (ix) of the order is not applicable to the company.

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

(xi) According to information & explanations given to us, no managerial remuneration has been paid or provided during the period under audit. Therefore, paragraph 3 (xi) of the order is not applicable to the company.

(xii) As explained, the company is not a Nidhi Company. Therefore paragraph 3 (xii) of the order is not applicable to the company.

(xiii) As per the information and explanations given by the management, all the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) As per the information and explanations given by the management, company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore paragraph 3 (xiv) of the order is not applicable to the company.

(xv) As per the information and explanations given by the management, the company has not entered into any non-cash transaction with directors or persons connected with him. Therefore paragraph 3 (xv) of the order is not applicable to the company.

(xvi) As per the information and explanations given by the management, company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore paragraph 3 (xvi) of the order is not applicable to the company.

For T R Chadha & Co LLP
Firm's Reg. No-: 006711N/N500028
Chartered Accountants

Arvind Modi
Partner
Membership No-112929

Place: Chennai
Date: 19/04/2019

ANNEXURE B

THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF L&T HALOL SHAMLAJI TOLLWAY LIMITED

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 Halol Shamlaji Tollway Limited ("the Company") as of 31 March, 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". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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

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

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

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

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

Opinion
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 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 T R Chadha & Co LLP
Firm's Reg. No-: 006711N/N500028
Chartered Accountants

Arvind Modi
Partner
Membership No-112929

Place: Chennai
Date: 19/04/2019

BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Note	March 31, 2019	*March 31, 2018*
		₹	₹
ASSETS			
Non-current assets			
a) Property, Plant and Equipment	1	**11,465,679**	*48,389,590*
b) Intangible assets	2	**11,271,974,836**	*11,486,923,553*
c) Financial Assets			
i) Loans	3	**1,769,328**	*1,769,328*
d) Other non-current assets	4	**144,906**	*144,906*
	A	**11,285,354,749**	*11,537,227,377*
Current assets			
a) Financial Assets			
i) Trade receivables	5	**21,210,728**	*18,916,732*
ii) Cash and cash equivalent	6	**11,348,639**	*19,209,947*
iii) Bank balances other than (ii)	7	**171,540**	*583,898*
b) Current Tax Assets (net)	4(a)	**2,465,708**	*2,234,463*
c) Other current assets	4	**1,789,050**	*2,400,516*
	B	**36,985,665**	*43,345,556*
Total Assets	A+B	**11,322,340,414**	*11,580,572,933*
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	8	**7,953,461,250**	*7,953,461,250*
b) Other Equity	9	**(4,104,496,207)**	*(3,609,400,811)*
	C	**3,848,965,043**	*4,344,060,439*
LIABILITIES			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	10	**5,307,618,652**	*5,603,599,048*
b) Provisions	12	**-**	*766,630,010*
	D	**5,307,618,652**	*6,370,229,058*
Current liabilities			
a) Financial Liabilities			
i) Trade payables	14	**28,127,643**	*25,317,252*
ii) Other financial liabilities	11	**1,103,547,292**	*829,114,819*
b) Other current liabilities	13	**31,704,607**	*11,585,911*
c) Provisions	12	**1,002,377,177**	*265,454*
	E	**2,165,756,719**	*866,283,436*
Total Equity and Liabilities	C+D+E	**11,322,340,414**	*11,580,572,933*
Contingent liabilities and Commitments	F		
Other notes forming part of accounts	G		
Significant accounting policies	H		

As per our report attached

For and on behalf of the Board

T R CHADHA & CO LLP
Chartered Accountants
Firm Registration No : 006711N / N500028

by the hand of

ARVIND MODI
Partner
Membership No.: 112929

SIPRA PAUL
Company Secretary

J M LINGAREDDY VONTEDDU
Chief financial officer

KARTHIKEYAN T V
Direcector
DIN: 01367727

PRAMOD SUSHILA KAPOOR
Director
DIN: 02914307

Place: Ahmedabad
Date:

Place: Chennai
Date: 19-04-2019

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

Particulars	Note	2018-19 ₹	2017-18 ₹
Revenue from Operations	15	862,278,435	838,761,608
Other income	16	884,439	8,010,650
Total Income		863,162,874	846,772,258
EXPENSES			
Operating Expenses	17	271,575,377	245,680,106
Employee Benefit Expenses	18	25,390,109	22,854,597
Finance Costs	19	790,967,833	764,934,004
Depreciation and Amortisation Expenses	1&2	253,373,270	244,949,289
Other Expense	20	16,973,121	14,845,977
Total Expenses		1,358,279,710	1,293,263,973
Profit/(loss) before tax		(495,116,836)	(446,491,715)
Tax Expense:			
Current tax		-	-
Deferred tax		-	-
Profit/(loss) after tax for the year		(495,116,836)	(446,491,715)
Profit for the year		(495,116,836)	(446,491,715)
Other Comprehensive Income			
i) Reclassifiable to profit or loss in subsequent periods		-	-
ii) Not reclassifiable to profit or loss in subsequent periods			
- Remeasurements of the defined benefit obligation		21,440	(153,042)
- Income Tax on above		-	-
Total Comprehensive Income for the year		(495,095,396)	(446,644,757)
Earnings per equity share (Basic and Diluted)	G6	(0.62)	(0.56)
Face value per equity share		10.00	10.00

As per our report attached

For and on behalf of the Board

T R CHADHA & CO LLP
Chartered Accountants
Firm Registration No : 006711N / N500028
by the hand of

ARVIND MODI
Partner
Membership No.: 112929

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DIN: 01367727

PRAMOD SUSHILA KAPOOR
Director
DIN: 02914307

Place: Ahmedabad
Date:

Place: Chennai
Date: 19-04-2019

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

S. No.	Particulars	2018-19	2017-18
		₹	₹
A	**Net profit / (loss) before tax and extraordinary items**	**(495,116,836)**	*(446,491,715)*
	Adjustment for		
	Depreciation and amortisation expense	**253,373,270**	*244,949,289*
	Interest expense	**790,967,833**	*764,934,004*
	Interest income	**(234,681)**	*(150,165)*
	(Profit)/loss on sale of fixed assets	**(46,748)**	*839,270*
	Operating profit before working capital changes	**548,942,838**	*564,080,683*
	Adjustments for:		
	Increase / (Decrease) in long term provisions	**(871,009,786)**	*127,858,663*
	Increase / (Decrease) in trade payables	**2,810,391**	*5,634,023*
	Increase / (Decrease) in other current liabilities	**20,118,696**	*(20,058,772)*
	Increase / (Decrease) in other current financial liabilities	**120,288,678**	*120,546,970*
	Increase / (Decrease) in short term provisions	**1,002,133,163**	*(1,587,503)*
	(Increase) / Decrease in loan term loans and advances	**-**	*(9,772)*
	(Increase) / Decrease in Trade Receivables	**(2,293,996)**	*(3,371,768)*
	(Increase) / Decrease in other current assets	**1,023,824**	*(1,474,618)*
	Net cash generated from/(used in) operating activities	**822,013,808**	*791,617,906*
	Direct taxes paid (net of refunds)	**(231,245)**	*(1,116,048)*
	Net Cash(used in)/generated from Operating Activities	**821,782,563**	*790,501,858*
B	**Cash flow from investing activities**		
	Purchase of fixed assets	**(1,706,594)**	*(21,309,013)*
	Sale of fixed assets	**252,700**	*4,330,459*
	Interest received	**234,681**	*150,165*
	Net cash (used in)/generated from investing activities	**(1,219,213)**	*(16,828,389)*
C	**Cash flow from financing activities**		
	Repayment of long term borrowings	**(266,013,642)**	*(163,754,773)*
	Interest paid	**(562,411,016)**	*(624,906,720)*
	Net cash (used in)/generated from financing activities	**(828,424,658)**	*(788,661,493)*
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(7,861,308)**	*(14,988,024)*
	Cash and cash equivalents as at the beginning of the year	**19,209,947**	*34,197,975*
	Cash and cash equivalents as at the end of the year	**11,348,639**	*19,209,947*

1. **Components of Cash & Cash Equivalents:**

Particulars	**As at March 31, 2019**	*As at March 31, 2018*
Cash in hand	**6,858,705**	*4,713,360*
Balances with Schedule Banks		
In Current Accounts	**4,489,934**	*14,496,587*
Total Cash and cash equivalents	**11,348,639**	*19,209,947*

2. The Cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard 7 on Cash Flows Statement.

As per our report attached

For and on behalf of the Board

T R CHADHA & CO LLP
Chartered Accountants
Firm Registration No : 006711N / N500028
by the hand of

ARVIND MODI
Partner
Membership No.: 112929

SIPRA PAUL
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KARTHIKEYAN T V
Directector
DIN: 01367727

PRAMOD SUSHILA KAPOOR
Director
DIN: 02914307

Place: Ahmedabad
Date:

Place: Chennai
Date: 19-04-2019

NOTES FORMING PART OF ACCOUNTS

1. PROPERTY, PLANT AND EQUIPMENT

Particulars	**Cost**				**Depreciation**				**Book Value**	
	As at April 01, 2018	**Additions**	**Deductions**	**As at March 31, 2019**	**As at April 01, 2018**	**For the year**	**Deductions**	**As at March 31, 2019**	**As at March 31, 2019**	**As as March 31, 2018**
Plant and Equipment	**150,011,839**	**1,073,572**	**-**	**151,085,411**	**109,933,200**	**35,115,627**	**-**	**145,048,827**	**6,036,584**	**40,078,639**
Furniture and fixtures	**9,541,484**	**-**	**-**	**9,541,484**	**3,958,366**	**1,319,454**	**-**	**5,277,820**	**4,263,664**	**5,583,118**
Vehicles	**7,860,109**	**-**	**229,994**	**7,630,115**	**6,397,387**	**1,367,058**	**229,994**	**7,534,451**	**95,664**	**1,462,722**
Office equipment	**1,305,785**	**146,050**	**21,970**	**1,429,865**	**1,017,865**	**112,403**	**21,959**	**1,108,309**	**321,556**	**287,920**
Computers, laptops and printers	**1,482,792**	**486,972**	**549,781**	**1,419,983**	**505,601**	**510,011**	**343,840**	**671,772**	**748,211**	**977,191**
Total	**170,202,009**	**1,706,594**	**801,745**	**171,106,858**	**121,812,419**	**38,424,553**	**595,793**	**159,641,179**	**11,465,679**	**48,389,590**
Previous year	*178,604,957*	*1,109,013*	*9,511,961*	*170,202,009*	*87,005,667*	*39,148,984*	*4,342,232*	*121,812,419*	*48,389,590*	*91,599,290*

2. INTANGIBLE ASSETS

Particulars	**Cost**				**Amortisation**				**Book Value**	
	As at April 01, 2018	**Additions**	**Deductions**	**As at March 31, 2019**	**As at April 01, 2018**	**For the year**	**Deductions**	**As at March 31, 2019**	**As at March 31, 2019**	**As as March 31, 2018**
Toll collection rights	**12,568,466,027**	**-**	**-**	**12,568,466,027**	**1,081,542,474**	**214,948,717**	**-**	**1,296,491,191**	**11,271,974,836**	**11,486,923,553**
Total	**12,568,466,027**	**-**	**-**	**12,568,466,027**	**1,081,542,474**	**214,948,717**	**-**	**1,296,491,191**	**11,271,974,836**	**11,486,923,553**
Previous year	*12,548,266,027*	*20,200,000*	*-*	*12,568,466,027*	*875,742,169*	*205,800,305*	*-*	*1,081,542,474*	*11,486,923,553*	*11,672,523,858*

In terms of Para 3 (ii)(a) of Part A of Schedule II to The Companies Act 2013, Amortisation on Intangible assets has been calculated on the basis of actual + projected revenue considered by Senior lenders in revival package submitted to GSRDC vide Allahabad Bank Letter No IFBC/ADV/LNTHSTL/2016-17 dated 8th Nov 2016 which includes extension of concession period of 7 years. Extension Period is duly approved by lenders and it is under consideration by GSRDC.

1) PROPERTY, PLANT AND EQUIPMENT

Particulars	*Cost*				*Depreciation*				*Book Value*	
	As at April 01, 2017	*Additions*	*Deductions*	*As at March 31, 2018*	*As at April 01, 2017*	*For the year*	*Deductions*	*As at March 31, 2018*	*As at March 31, 2018*	*As at April 01, 2017*
Plantand Equipment	*158,721,860*	*-*	*8,710,021*	*150,011,839*	*78,623,545*	*35,347,510*	*4,037,855*	*109,933,200*	*40,078,639*	*80,098,315*
Furniture and fixtures	*9,963,662*	*-*	*422,178*	*9,541,484*	*2,721,286*	*1,332,070*	*94,990*	*3,958,366*	*5,583,118*	*7,242,376*
Vehicles	*7,860,109*	*-*	*-*	*7,860,109*	*4,412,327*	*1,985,060*	*-*	*6,397,387*	*1,462,722*	*3,447,782*
Office equipment	*1,018,925*	*286,860*	*-*	*1,305,785*	*939,962*	*77,903*	*-*	*1,017,865*	*287,920*	*78,963*
Computers, laptops and printers	*1,040,401*	*822,153*	*379,762*	*1,482,792*	*308,547*	*406,441*	*209,387*	*505,601*	*977,191*	*731,854*
Total	*178,604,957*	*1,109,013*	*9,511,961*	*170,202,009*	*87,005,667*	*39,148,984*	*4,342,232*	*121,812,419*	*48,389,590*	*91,599,290*

NOTES FORMING PART OF ACCOUNTS (Contd.)

2) INTANGIBLE ASSETS

Particulars	*Cost*				*Amortisation*				*Book Value*	
	As at April 01, 2017	*Additions*	*Deductions*	*As at March 31, 2018*	*As at April 01, 2017*	*For the year*	*Deductions*	*As at March 31, 2018*	*As at March 31, 2018*	*As at April 01, 2017*
Specialised Software	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Toll collection rights	*12,548,266,027*	*20,200,000*	*-*	*12,568,466,027*	*875,742,169*	*205,800,305*	*-*	*1,081,542,474*	*11,486,923,553*	*11,672,523,858*
Total	*12,548,266,027*	*20,200,000*	*-*	*12,568,466,027*	*875,742,169*	*205,800,305*	*-*	*1,081,542,474*	*11,486,923,553*	*11,672,523,858*

Note: During the year company has signed Negative/Positive scope with GSRDC Limited for settlement of dues with GSRDC, as per the said letter company has to pay ₹2,02,00,000 on account of Safety fund.

3. LOANS

Particulars	**March 31, 2019**			*March 31, 2018*		
	Current	**Non-current**	**Total**	*Current*	*Non-current*	*Total*
	₹	₹	₹	₹	₹	₹
a) Security deposits						
Unsecured, considered good	**-**	**1,769,328**	**1,769,328**	-	*1,769,328*	*1,769,328*
	-	**1,769,328**	**1,769,328**	-	*1,769,328*	*1,769,328*

4. OTHER NON-CURRENT AND CURRENT ASSETS

Particulars	**March 31, 2019**			*March 31, 2018*		
	Current	**Non-current**	**Total**	*Current*	*Non-current*	*Total*
Advances other than capital advances						
Advances to related parties	**208,997**	**-**	**208,997**	*783,923*	*-*	*783,923*
Advances to employees	**49,191**	**-**	**49,191**	*21,905*	*-*	*21,905*
Interest receivables	**116,331**	**-**	**116,331**	*-*	*-*	*-*
Other advances	**115,803**	**-**	**115,803**	*65,576*	*-*	*65,576*
Advance recoverable other than in cash						
Prepaid Insurance	**1,298,728**	**-**	**1,298,728**	*1,514,112*	*-*	*1,514,112*
Prepaid expenses	**-**	**-**	**-**	*15,000*	*-*	*15,000*
VAT recoverable	**-**	**144,906**	**144,906**	*-*	*144,906*	*144,906*
	1,789,050	**144,906**	**1,933,956**	*2,400,516*	*144,906*	*2,545,422*
(a) Advance Income tax net of provisions	2,465,708	-	2,465,708	2,234,463	-	2,234,463
	2,465,708	**-**	**2,465,708**	**2,234,463**	**-**	**2,234,463**

NOTES FORMING PART OF ACCOUNTS (Contd.)

5) TRADE RECEIVABLES

Particulars	As at March 31, 2019 Current ₹	*As at March 31, 2018* *Current* *₹*
Unsecured, considered good		
Others	**21,210,728**	*18,916,732*
	21,210,728	*18,916,732*
Less: Allowance for Credit Losses	**-**	*-*
	21,210,728	*18,916,732*

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

6) CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2019 ₹	*As at March 31, 2018* *₹*
a) Balances with banks	**4,489,934**	*14,496,587*
b) Cash on hand	**6,858,705**	*4,713,360*
	11,348,639	*19,209,947*

7) OTHER BANK BALANCE

Particulars	As at March 31, 2019 ₹	*As at March 31, 2018* *₹*
a) Fixed deposits with banks including interest accrued thereon	**171,540**	*583,898*
	171,540	*583,898*

8 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	**800,000,000**	**8,000,000,000**	*800,000,000*	*8,000,000,000*
Preference Shares of ₹10 each	**300,000,000**	**3,000,000,000**	*300,000,000*	*3,000,000,000*
Issued, subscribed and fully paid up				
Equity shares of ₹10 each	**795,346,125**	**7,953,461,250**	*795,346,125*	*7,953,461,250*
	795,346,125	**7,953,461,250**	*795,346,125*	*7,953,461,250*

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

Particulars	As at March 31, 2019		*As at March 31, 2018*	
	No. of shares	₹	*No. of shares*	*₹*
At the beginning of the year	**795,346,125**	**7,953,461,250**	*796,336,325*	*7,963,363,250*
Less: Converted into OCPS		**-**	*990,200*	*9,902,000*
At the end of the year	**795,346,125**	**7,953,461,250**	*795,346,125*	*7,953,461,250*

NOTES FORMING PART OF ACCOUNTS (Contd.)

(iii) Equity component of other financial instruments (0.01% Optionally Convertible Preference Shares)

Particulars	As at March 31, 2019		*As at March 31, 2018*	
	No. of shares	**₹**	*No. of shares*	*₹*
At the beginning of the year	**130,500,000**	**1,305,000,000**	*129,509,800*	*1,295,098,000*
Conversion of equity shares	**-**	**-**	*990,200*	*9,902,000*
At the end of the year	**130,500,000**	**1,305,000,000**	*130,500,000*	*1,305,000,000*

(iv) Terms / rights attached to equity shares

a) The company has two class of shares namely equity shares having a par value of ₹10/- per share and preference share having par value of ₹10/- per share. Each holder of equity & preference shares is entitled to one vote per share. In the event of liquidation of the company, the equity shares issued by senior lender shall get priority basis towards payments and the other holders of the equity shares will be entitled to receive remaining asset of the company in proportion to the number of equity shares held.

b) 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.

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

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

(v) 0.01% Optionally convertible preference shares (OCPS)

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

b) Preference share holders carry non-participating rights in the surplus funds.

c) Preference share holders would be paid dividend on a cumulative basis.

d) Carry Voting Rights as per the provisions of Section 47(2) of the Act.

e) Preference shares to the extent not redeemed at the end of 10th year from the date of allotment, shall stand converted into equity shares of ₹10 /- per share at par.

48.97% Equity Shares and 100% of 0.01% Optionally Convertible Preference Shares of the Company held by L&T Infrastructure Development Projects Limited are pledged with Term Lenders.

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

Particulars	As at March 31, 2019		*As at March 31, 2018*	
	No. of shares	**₹**	*No. of shares*	*₹*
L&T Infrastructure Development Projects Ltd (Holding company)	**389,519,500**	**3,895,195,000**	*389,519,500*	*3,895,195,000*
	389,519,500	**3,895,195,000**	*389,519,500*	*3,895,195,000*
Preference Share				
L&T Infrastructure Development Projects Limited (OCPS)	130,500,000	1,305,000,000	130,500,000	1,305,000,000
	130,500,000	**1,305,000,000**	**130,500,000**	**1,305,000,000**

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

Particulars	As at March 31, 2019		*As at March 31, 2018*	
	No. of shares	**%**	*No. of shares*	*%*
L&T Infrastructure Development Projects Limited (including nominee holding)	**389,519,500**	**48.97%**	*389,519,500*	*48.97%*
Allahabad Bank	**79,808,974**	**10.02%**	*79,808,974*	*10.02%*
UCO Bank	**75,813,760**	**9.52%**	*75,813,760*	*9.52%*
Oriental Bank of Commerce	**68,817,298**	**8.64%**	*68,817,298*	*8.64%*
Syndicate Bank	**59,492,481**	**7.47%**	*59,492,481*	*7.47%*
Indian Bank	**44,723,187**	**5.62%**	*44,723,187*	*5.62%*
IndusInd Bank	**44,363,487**	**5.57%**	*44,363,487*	*5.57%*
Preference Share				
L&T Infrastructure Development Projects Limited (OCPS)	130,500,000	100.00%	130,500,000	100.00%

NOTES FORMING PART OF ACCOUNTS (Contd.)

(viii) 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

(ix) Calls unpaid : NIL; Forfeited Shares : NIL

9 STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(a) Equity Share Capital

Particulars	As at March 31, 2019	*As at March 31, 2018*
Balance as at April 01, 2018	**7,953,461,250**	*7,963,363,250*
Changes in equity share capital during the year	**-**	*(9,902,000)*
Balance as on March 31, 2019	**7,953,461,250**	*7,953,461,250*

(b) Other Equity as on March 31, 2019

Particulars	Other Equity		*Total ₹*
		Reserves & Surplus	
	Equity component of compound financial instruments	Retained earnings	
Balance at the beginning of the reporting period	**2,403,736,526**	*(6,013,137,337)*	*(3,609,400,811)*
Profit for the year	**-**	*(495,116,836)*	*(495,116,836)*
Other comprehensive income	**-**	*21,440*	*21,440*
Balance as on March 31, 2019	**2,403,736,526**	*(6,508,232,733)*	*(4,104,496,207)*

Other Equity as on March 31, 2018

Particulars	Other Equity		*Total ₹*
		Reserves & Surplus	
	Equity component of compound financial instruments	Retained earnings	
Balance at the beginning of the reporting period	**2,393,834,526**	*(5,566,492,580)*	*(3,172,658,054)*
Profit for the year	**-**	*(446,491,715)*	*(446,491,715)*
Other comprehensive income	**-**	*(153,042)*	*(153,042)*
Issue of share capital	**9,902,000**	*-*	*9,902,000*
Balance as on March 31, 2018	**2,403,736,526**	*(6,013,137,337)*	*(3,609,400,811)*

10 BORROWINGS

Particulars	As at March 31, 2019			*As at March 31, 2018*		
	Current	Non current	Total	*Current*	*Non current*	*Total*
	₹	₹	₹	₹	₹	₹
Secured borrowings						
a) Term loans						
i) From banks	**142,398,397**	**4,281,537,653**	**4,423,936,050**	*125,418,467*	*4,519,873,048*	*4,645,291,515*
ii) From others	**84,803,141**	**1,026,080,999**	**1,110,884,140**	*69,174,000*	*1,083,726,000*	*1,152,900,000*
Less: Transferred to Oher Financial Liabilities (Refer Note No 11)	**(227,201,538)**	**-**	**(227,201,538)**	*(194,592,467)*	*-*	*(194,592,467)*
	-	**5,307,618,652**	**5,307,618,652**	*-*	*5,603,599,048*	*5,603,599,048*

NOTES FORMING PART OF ACCOUNTS (Contd.)

a) Details of long term borrowings

Particulars	Rate of Interest	Terms of Repayment
	As at March 31, 2019	
Secured Term Loans *	Base rate of Allahabad Bank + Spread of 1.25% (Effective Interest Rate 10.89%)	Repayable in 108 monthly instalments from April 2017 to March 2026 at specified amounts in Master Restructuring Agreement.

* Entire loan has been restructure as per SDR scheme. For details please refer note no G (13)

b) Nature of security for term loans/debentures

Above Term Loans are secured by pari passu first charge on all the immovable properties both present and future of the Company and hypothecation of tangible movable properties present & future including book debt, cash & bank balance, stock-in-trade, intangible assets, uncalled share capital, etc. except project assets as defined in the concession agreement.

c) Default in Repayment of Term Loan

The Company has made default in payment of principal & interest of Term Loan to IIFCL amounting to ₹271.58 Lakhs & ₹1,559.10 Lakhs respectively from April 2017 to March 2019, since IIFCL has not participated in the SDR scheme formed by the Joint Lender's Forum.

11 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2019			*As at March 31, 2018*		
	Current	**Non current**	**Total**	*Current*	*Non current*	*Total*
	₹	₹	₹	₹	₹	₹
a) Current maturity of long term loan	**227,201,538**	**-**	**227,201,538**	*194,592,467*	*-*	*194,592,467*
b) Interest accrued	**155,910,317**	**-**	**155,910,317**	*75,567,256*	*-*	*75,567,256*
c) Other liabilities						
i) Revenue share payable including interest accrued thereon	**641,475,201**	**-**	**641,475,201**	*479,994,860*	*-*	*479,994,860*
ii) Negative/Positive scope payment	**78,960,236**		**78,960,236**	*78,960,236*		*78,960,236*
	1,103,547,292	**-**	**1,103,547,292**	*829,114,819*	*-*	*829,114,819*

Company had entered into a supplementary agreement with GSRDC, on November 09, 2015 for settling certain disputes and claims under the terms of the concession agreement. In lieu of the said claims and disputes and in satisfaction of the certain civil works pending to be carried out by the Company, GSRDC had vide its letter dated February 07, 2017 had sought a compensation of ₹7,89,60,236/- (including safety fund of ₹2,02,00,000/-) from the Company, in settlement of the disputes and claim and discharging the Company from executing the said works.

12 PROVISIONS

Particulars	As at March 31, 2019			*As at March 31, 2018*		
	Current	**Non current**	**Total**	*Current*	*Non current*	*Total*
	₹	₹	₹	₹	₹	₹
Provision for employee benefits (Refer Note G(2))					*-*	*-*
Gratuity	**114,153**	**-**	**114,153**	*339,754*	*-*	*339,754*
Leave encashment	**225,361**	**-**	**225,361**	*-74,300*	*-*	*-74,300*
Provisions for major maintenance reserve (Refer Note G(8))	**1,002,037,663**	**-**	**1,002,037,663**	*-*	*766,471,347*	*766,471,347*
Retention Pay Scheme	**-**	**-**	**-**	*-*	*158,663*	*158,663*
	1,002,377,177	**-**	**1,002,377,177**	*265,454*	*766,630,010*	*766,895,464*

NOTES FORMING PART OF ACCOUNTS (Contd.)

13 OTHER LIABILITIES

Particulars	As at March 31, 2019			*As at March 31, 2018*		
	Current	**Non current**	**Total**	*Current*	*Non current*	*Total*
	₹	₹	₹	₹	₹	₹
i) Other liabilities	**30,513,157**	**-**	**30,513,157**	*10,914,652*	-	*10,914,652*
ii) Statutory payables	**1,191,450**	**-**	**1,191,450**	*671,259*	-	*671,259*
	31,704,607	**-**	**31,704,607**	*11,585,911*	-	*11,585,911*

14 TRADE PAYABLES

Particulars	As at March 31, 2019	*As at March 31, 2018*
	₹	₹
Due to Related party	**1,108,945**	-
Due to Micro and Small enterprises	**934,155**	*2,410,698*
Due to Others	**26,084,543**	*22,906,554*
	28,127,643	*25,317,252*

Disclosure for Micro and Small Enterprise

1 The amount due to Micro & Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the company.

2 The disclosure relating to Micro, Small and Medium Enterprises as at March 31, 2019 are as under :

a) Principal amount remaining unpaid	934,155
b) Interest due on above and the unpaid interest	Nil
c) Interest paid	Nil
d) Payment made beyond the appointed day during the year	Nil
e) Interest due and payable for the period of delay	Nil
f) Interest accrued and remaining unpaid	Nil
g) Amount of further interest remaining due and payable in succeeding years	Nil

F CONTINGENT LIABILITIES AND COMMITMENTS

1 Claims against the Company not acknowledged as debt:

a) GSRDC vide its letter dated 9th June 2014 has claimed amount ₹5,56,89,317/- to pay revenue share on defined traffic based on clause 7.3 of Concession Agreement. However, company has not accepted this demand raised by GSRDC and has sought for dispute resolution under Article 37 of Concession Agreement.

b) GSRDC vide its letter no GMP/L&T HGS/161/2016 dated January 30, 2016 has claimed damage amount ₹35,00,000/- based on Article 17 and Schedule L of the Concession Agreement for breach of maintenance obligations. However, the company has not accepted the amount claimed from authority and also requested to withdraw the same vide its letter no. HGS/GSRDC/DEV/1213 dated 29th February 2016.

2 Commitments:

Commitments as at March 31, 2019 ₹Nil *(previous year: ₹Nil)*

15 REVENUE FROM OPERATIONS

Particulars	2018-19		*2017-18*	
	₹	₹	₹	₹
Operating revenue:				
Toll Collections	**1,029,103,904**		*989,222,324*	
Less : Revenue share to GSRDC *	**166,825,469**		*150,460,716*	
		862,278,435		*838,761,608*
		862,278,435		*838,761,608*

* Gujarat State Road Development Corporation Limited

NOTES FORMING PART OF ACCOUNTS (Contd.)

16 OTHER INCOME

Particulars	2018-19		2017-18	
	₹	₹	₹	₹
Interest income from:				
Bank deposits	**10,940**		*11,651*	
Others	**223,741**		*138,514*	
		234,681		*150,165*
Profit on sale of fixed assets		**46,748**		-
Other income		**603,010**		*7,860,485*
		884,439		*8,010,650*

17 OPERATING EXPENSES

Particulars	2018-19		2017-18	
	₹	₹	₹	₹
Toll Management fees		**31,720,028**		*32,651,090*
Security services		**11,153,919**		*11,177,674*
Insurance		**4,470,153**		*5,516,081*
Concession fee		**2**		*2*
Repairs and maintenance				
Toll road & bridge	**43,273,140**		*39,210,400*	
Plant and machinery	**6,676,300**		*2,035,009*	
Periodic major maintenance	**145,099,996**		*127,700,000*	
Others	**13,437,787**		*14,018,863*	
		208,487,223		*182,964,272*
Professional fees		**4,976,826**		*2,203,874*
Power and fuel		**10,767,226**		*11,167,113*
		271,575,377		*245,680,106*

18 EMPLOYEE BENEFIT EXPENSES

Particulars	2018-19		2017-18	
	₹	₹	₹	₹
Salaries, wages and bonus		**20,178,577**		*19,305,451*
Contributions to and provisions for:				
Provident fund	**1,228,826**		*1,175,562*	
Gratuity	**380,655**		*343,089*	
Compensated absences	**744,422**		*69,934*	
Retention pay	**-**		*158,663*	
		2,353,903		*1,747,248*
Staff welfare expenses		**2,857,629**		*1,801,898*
		25,390,109		*22,854,597*

NOTES FORMING PART OF ACCOUNTS (Contd.)

19 FINANCE COSTS

Particulars	2018-19		2017-18	
	₹	₹	₹	₹
Interest on borrowings		**636,329,419**		*649,920,577*
Interest on GSRDC revenue share		**45,769,424**		*33,774,400*
Bank charges and bank guarantee charges		**1,846,897**		*2,016,588*
Unwinding of discount and implicit interest expense on fair value		**107,022,093**		*79,222,439*
		790,967,833		*764,934,004*

20 OTHER EXPENSE

Particulars	2018-19		2017-18	
	₹	₹	₹	₹
Rent, Rates and taxes		**140,790**		*31,335*
Professional fees		**4,283,891**		*6,924,555*
Payment to Auditors		**622,450**		*619,500*
Postage and communication		**2,112,510**		*941,979*
Printing and stationery		**514,185**		*768,371*
Loss on disposal of Fixed Assets		**-**		*839,270*
Travelling and conveyance		**2,385,766**		*2,290,752*
Repairs and Maintenance - Others		**5,876,671**		*2,064,232*
Miscellaneous expenses		**334,197**		*365,983*
		16,973,121		*14,845,977*

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

Particulars	2018-19	2017-18
	₹	₹
a) As auditor	**354,000**	*295,000*
b) For taxation matters	**82,600**	*82,600*
c) For other services	**185,850**	*241,900*
Total	**622,450**	*619,500*

Components of Other Comprehensive Income

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended March 31, 2019

Particulars	Retained earnings	Other reserves (specify nature)	Total
	₹	₹	₹
Remeasurement gains/(losses) on defined benefit plans	-	-	-
Not reclassifiable to profit or loss in subsequent periods	21,440	-	21,440
Reclassified to Statement of profit and loss	-	-	-
	21,440	**-**	**21,440**

NOTES FORMING PART OF ACCOUNTS (Contd.)

G) NOTES FORMING PART OF ACCOUNTS

1) Corporate Information

L&T Halol Shamlaji Tollway Limited is a Special Purpose Vehicle (SPV) incorporated on 09-09-2008 for the purpose of widening of existing two-lane, 173.06 kilometers Road stretch covering Halol-Godhra-Shamlaji to make it four lane divided Carriageway facility under Viability Gap Funding scheme of Government of India and operation and maintenance thereof, under the Concession Agreement dated 17th September, 2008 The Concession is for a period of 20 years including the construction period. At the end of the 20 years the entire facility will be transferred to Gujarat State Road Development Corporation Ltd. The company achieved commercial operation on April 4, 2012 upon receipt of the provisional completion certificate executed between the Company and Gujarat State Road Development Corporation Ltd..

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

(i) Defined contribution plan:

The Company's provident fund are the defined contribution plans. The Company is required to contribute a specified percentage of payroll costs to the recognised provident fund to fund the benefits. The only obligation of the Company with respect to these plans is to make the specified contributions.

An amount of ₹12,28,826/- (previous year: ₹11,75,562/-) being contribution made to provident fund is recognised as expense and included under Employee benefit expense (Note 18) in the Statement of Profit and Loss.

(ii) Features of Its Defined benefit plans:

Gratuity:

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

Plan Features

Features of the defined benefit plan	Remarks
Benefits offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹20,00,000 was applied
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58 years

Leave Encashment:

Features of the defined benefit plan	Remarks
Salary for Encashment	Basic Salary
Salary for Availment	Cost to company
Benefit event	Death or Resignation or Retirement or Availment
Maximum accumulation	300
Benefit Formula	(Leave Days) × (Salary)/ (Leave Denominator)
Leave Denominator	30
Leaves Credited Annually	33
Retirement Age	58 Years

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

iv) Risk to the Plan

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

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 cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

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

B **Investment Risk:**

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

C **Liquidity Risk:**

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

D **Market Risk:**

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

E **Legislative Risk:**

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

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

Particulars	**Gratuity plan**		**Compensated absences**	
	As at March 31, 2019	*As at March 31, 2018*	**As at March 31, 2019**	*As at March 31, 2018*
	₹	₹	₹	₹
Present value of defined benefit obligation				
- Wholly funded	**1,807,049**	*1,569,033*	**2,154,813**	*1,555,820*
- Wholly unfunded	**-**	-	**-**	-
	1,807,049	*1,569,033*	**2,154,813**	*1,555,820*
Less : Fair value of plan assets	**1,692,896**	*1,229,279*	**1,929,452**	*1,630,119*
Net Liability / (asset)	**114,153**	*339,754*	**225,361**	*(74,299)*

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

Particulars	**Gratuity plan**		**Compensated absences**	
	As at March 31, 2019	*As at March 31, 2018*	**As at March 31, 2019**	*As at March 31, 2018*
	₹	₹	₹	₹
Current service cost	**369,334**	*339,977*	**428,254**	*280,668*
Interest on Defined benefit obligation	**11,321**	*3,112*	**(15,861)**	*43,065*
Net value of remeasurements on the obligation and plan assets	**-**	-	**282,617**	*58,799*
Total Charge to Statement of Profit and Loss	**380,655**	*343,089*	**695,010**	*382,532*

NOTES FORMING PART OF ACCOUNTS (Contd.)

d) Other Comprehensive Income for the period

Particulars	Gratuity plan	
	As at March 31, 2019	*As at March 31, 2018*
	₹	₹
Components of actuarial gain/losses on obligations:		
From changes in demographic assumptions	**-**	-
From changes in financial assumptions	**21,622**	*(43,360)*
From changes in experience	**(76,189)**	*158,601*
Past service cost	**-**	-
Actuarial gain/(loss) not recognised in books	**-**	-
Return on plan assets excluding amounts included in interest income	**33,127**	*37,801*
Amounts recognized in Other Comprehensive Income	**(21,440)**	*153,042*

e) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	Gratuity planC		Compensated absences	
	As at March 31, 2019	*As at March 31, 2018*	**As at March 31, 2019**	*As at March 31, 2018*
	₹	₹	₹	₹
Opening balance of the present value of defined benefit obligation	**1,569,033**	*1,382,005*	**1,555,820**	*1,485,145*
Add: Current service cost	**369,334**	*339,977*	**428,254**	*280,668*
Add: Interest cost	**109,148**	*91,588*	**113,575**	*97,396*
Add: Contribution by plan participants				
i) Employer	**-**	-	**-**	-
ii) Employee	**-**	-	**-**	-
Add/(less): Actuarial losses/(gains)	**(54,567)**	*115,241*	**284,175**	*33,732*
Less: Benefits paid	**185,899**	*359,778*	**227,011**	*341,121*
Add: Past service cost	**-**	-	**-**	
Closing balance of the present value of defined benefit obligation	**1,807,049**	**1,569,033**	**2,154,813**	*1,555,820*

f) Reconciliation of Plan Assets:

Particulars	Gratuity plan		Compensated absences	
	As at March 31, 2019	*As at March 31, 2018*	**As at March 31, 2019**	*As at March 31, 2018*
	₹	₹	₹	₹
Opening value of plan assets	**1,229,279**	*1,167,228*	**1,630,119**	-
Interest Income	**97,827**	*88,476*	**129,436**	*54,331*
Return on plan assets excluding amounts included in interest income	**(33,127)**	*(37,801)*	**1,558**	*(25,067)*
Contributions by employer	**584,816**	*371,154*	**395,350**	*1,731,006*
Benefits paid	**(185,899)**	*(359,778)*	**(227,011)**	*(130,151)*
Closing value of plan assets	**1,692,896**	*1,229,279*	**1,929,452**	*1,630,119*

NOTES FORMING PART OF ACCOUNTS (Contd.)

g) Reconciliation of Net Defined Benefit Liability:

Particulars	Gratuity plan		Compensated absences	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	₹	₹	₹	₹
Net opening provision in books of accounts	**339,754**	*214,777*	**(74,299)**	*1,485,145*
Employee Benefit Expense	**380,655**	*343,089*	**695,010**	*382,532*
Amounts recognized in Other Comprehensive Income	**(21,440)**	*153,042*	**-**	-
	698,969	*710,908*	**620,711**	*1,867,677*
Benefits paid by the Company	**-**	-	**-**	*(210,970)*
Contributions to plan assets	**(584,816)**	*(371,154)*	**(395,350)**	*(1,731,006)*
Closing provision in books of accounts	**114,153**	*339,754*	**225,361**	*(74,299)*

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate	**7.15%**	*7.30%*
Salary growth rate	**6.00%**	*6.00%*
Attrition rate	**15% at younger ages reducing to 3% at older ages**	*15% at younger ages reducing to 3% at older ages*

h) A quantitative sensitivity analysis for significant assumption as at 31 March 2019

Particulars	Change in Assumptions	Gratuity plan		Compensated absences	
		Impact on Defined Benefit Obligation		Impact on Defined Benefit Obligation	
	Increase/(Decrease)	Increase/(Decrease) in Assumptions		Increase/(Decrease) in Assumptions	
	%	₹	%	₹	%
Discount Rate	0.50%	1,736,765	-3.89%	2,073,756	-3.76%
	-0.50%	1,882,685	4.19%	2,242,135	4.05%
Salary Growth Rate	0.50%	1,883,162	4.21%	2,242,694	4.08%
	-0.50%	1,735,711	-3.95%	2,072,538	-3.82%

i) Maturity profile of defined benefit obligation

(Amount in ₹)

	Gratuity	Leave Encashment
within 1 year	**169,702**	**247,585**
1-2 year	**164,996**	**234,217**
2-3 year	**164,201**	**219,526**
3-4 year	**173,482**	**206,486**
4-5 year	**162,158**	**190,094**
6-10 years	**851,652**	**892,192**

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

Particulars	As at March 31, 2019	As at March 31, 2018
Insurer managed funds	**100%**	*100%*
Investments quoted in active markets	**-**	-
Cash and cash equivalents	**-**	-
Unquoted investments	**-**	-
Total	**100%**	*100%*

NOTES FORMING PART OF ACCOUNTS (Contd.)

k) **Details of Asset-Liability Matching Strategy**

There are no minimum funding requirements for a Gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan.

The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

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 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.

5) Disclosure of related parties / related party transactions pursuant to Ind AS 24 “Related Party Disclosures”

a) List of related parties

Holding Company	L&T Infrastructure Development Projects Limited
Ultimate Holding Company	Larsen & Toubro Limited
Fellow Subsidiary companies	L&T Transportation Infrastructure Limited
	Vadodara Bharuch Tollway Limited
	L&T Interstate Road Corridor Limited
	Panipat Elevated Corridor Limited
	Ahmedabad - Maliya Tollway Limited
	L&T Rajkot - Vadinar Tollway Limited
	L&T Samakhiali Gandhidham Tollway Limited
	Krishnagiri Thopur Toll Road Limited (upto May 04, 2018)
	Krishnagiri Walajahpet Tollway Limited (upto May 04, 2018)
	Devihalli Hassan Tollway Limited (upto May 04, 2018)
	Beawar Pali Pindwara Tollway Limited (upto May 04, 2018)
	L&T Port Kachchigarh Limited
	PNG Tollway Limited
Key Managerial Personnel	Manager - Mr. Salimuddin Hashemi
	CFO - Mr. J M Lingareddy Vonteddu

b) Disclosure of related party transactions:

Particulars	**2018-19**	*2017-18*
	₹	₹
1. Purchase of goods and services incl. taxes		
Larsen & Toubro Limited	**452,014**	*145,522*
L&T Infrastructure Development Projects Limited	**-**	*-*
	452,014	*145,522*
2. Purchase of assets		
Krishnagiri Walajahpet Tollway Limited	**-**	*24,040*
L&T Interstate Road Corridor Limited	**62,380**	*-*
L&T Rajkot Vadinar Tollway Limited	**88,650**	*-*
L&T Sambalpur Rourkela Tollway Limited	**49,012**	*-*
L&T Samakhiali Gandhidham Tollway Limited	**-**	*34,967*
	200,042	*59,007*

NOTES FORMING PART OF ACCOUNTS (Contd.)

2. Purchase of spares		
Vadodara Bharuch Tollway Limited	**12,374**	-
	12,374	-
3. Sale of assets		
L&T Infrastructure Development Projects Limited	**13,112**	*56,396*
Vadodara Bharuch Tollway Limited	**-**	*698,365*
L&T Deccan Tollway Limited	**-**	*57,600*
L&T Rajkot Vadinar Tollway Limited	**56,206**	-
Ahmedabad Maliya Tollway Limited	**30,596**	-
Devihalli Hassan Tollway Limited	**13,112**	-
Panipat Elevated Corridor Limited	**28,886**	-
	141,912	*812,361*
4. Reimbursement of expenses charged from		
Larsen & Toubro Limited	**1,362,900**	*1,244,776*
L&T Infrastructure Development Projects Limited	**141,130**	*83,839*
Vadodara Bharuch Tollway Limited	**-**	*2,248,379*
	1,504,030	*3,576,994*
5. Reimbursement of expenses charged to		
L&T Infrastructure Development Projects Limited	**630,985**	*252,070*
L&T Samakhiali Gandhidham Tollway Limited	**-**	*4,996*
	630,985	*257,066*
6. Key Managerial Personnel		
Mr. Salimuddin M Hashemi	**105,770**	-
Mr. Dheeraj Khanna	**1,293,136**	*1,232,004*
	1,398,906	*1,232,004*

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

(Amount in ₹)

Particulars	**Amounts due (to)/from**	
	As at March 31, 2019	*As at March 31, 2018*
i. Ultimate Holding company		
Larsen & Toubro Limited	**1,108,945**	*751,284*
ii. Holding company		
L&T Infrastructure Development Projects Limited	**(208,997)**	*(2,142,910)*

d) No amount due to or due from related parties has been written back or written off during the year *(Previous year is ₹Nil)*

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

f) **Compensation of Key Management personnel of the group**

(Amount in ₹)

Particulars	**As at March 31, 2019**	*As at March 31, 2018*
Short term employee benefits	**1,367,308**	*1,206,330*
Post employment gratuity and medical benefits	**31,598**	*25,674*
Other long term benefits	**NA**	*NA*

NOTES FORMING PART OF ACCOUNTS (Contd.)

6) 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
		₹	₹
Basic earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	**(495,116,836)**	*(446,491,715)*
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	**795,346,125**	*795,945,671*
Basic earnings per equity share (₹)	A / B	**(0.62)**	*(0.56)*
Diluted earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	**(495,116,836)**	*(446,491,715)*
Add : Interest on convertibles (net of tax)	B	**-**	-
Profit for the year attributable to owners of the Company for the calculating of diluted earnings per share (₹)	C = A+B	**(495,116,836)**	*(446,491,715)*
Weighted average number of equity shares outstanding for calculating basic earnings per share	D	**795,346,125**	*795,945,671*
Add : Shares deemed to be issued for no consideration in respect of :	E	**-**	-
Weighted average number of equity shares outstanding for calculating diluted earnings per share	H = D + E	**795,346,125**	*795,945,671*
Diluted earnings per equity share (₹)		**(0.62)**	*(0.56)*
Face value per equity share (₹)		**10.00**	*10.00*

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

7) 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.

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

a) Nature of provisions:

i) Major Maintenance 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 (GSRDC) 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, the periodic maintenance is expected to occur after 7 years. The maintenance cost / bituminous overlay may vary based on the actual usage during maintenance period. Accordingly on the grounds of matching cost concept and based on technical estimates, a provision for major maintenance expenses is reviewed and is provided for in the accounts annually.

During the current year company has provided ₹24,94,79,772/- (Previous Year ₹20,42,22,120/-) for periodic Major Maintenance in respect of its resurfacing obligation.

b) Movement in provisions:

i) Major Maintenance Provision

Particulars	As at 31 March 2019	*As at 31 March 2018*
Opening balance	**766,471,347**	*562,249,227*
Additional provision	**145,099,996**	*127,700,000*
Utilised	**13,913,456**	-
Unused amounts reversed	**-**	-
Unwinding of discount and changes in discount rate	**104,379,776**	*76,522,120*
Closing balance	**1,002,037,663**	*766,471,347*

NOTES FORMING PART OF ACCOUNTS (Contd.)

c) **Contingent liabilities :**

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

9) **Disclosure pursuant to Ind AS 38 - " Intangible Assets"**

Intangible asset	Useful Life	Amortisation method used	Internally generated or Acquired
Toll Collection Rights	25 years	Revenue Based	Internally generated

10) **Disclosure pursuant to Ind AS 12 Recognition of Deferred Tax Assets & Liabilities**

DTA has not been recognized in the accounts, as company is availing tax exemption benefit u/s 80IA hence there is no reasonable certainty that deferred tax asset will be realized in future.

11) **Capital Redemption Reserve & Dividend on Preference Shares**

As the company does not have profits for the current year, Capital Redemption Reserve & dividend on Preference Shares for optionally convertible cumulative redeemable preference shares as defined under Section 55 of the Companies Act, 2013 has not been created.

12) The company has informed to Gujarat State Road Development Corporation Limited (GSRDC) that it will be deferring the payment revenue share payable under the provisions of the concession agreement, from May 2014 on account of the reduction between expected and actual collections due to the development of competing road, Accordingly the Company had accrued interest at RBI bank rate plus 2% on such outstanding revenue share payable as at the Balance Sheet. The revenue share payable of ₹53,41,00,450/- *(Previous year ₹41,38,11,772/-)* and interest accrued of ₹10,73,74,751/- *(Previous year ₹6,61,83,088/-)* is shown under the head "other current liabilities".

13) In terms of the MRA and based on discussions with the banks, the company has calculated interest on full senior debt till July 31, 2016. From 1st August 2016, interest has been calculated on debt of ₹5,97,24,54,007/- (PART B) i.e. after reducing the portion of Debt of ₹4,05,82,65,250 (PART A) which has been converted into Equity. However, different Banks have given effect to SDR in different manner in the their books of account resulting into differences in balance outstanding as per books of the company and statements given by Banks as on March 31, 2019. The details of which are as under:

Name of the Company	Balance as per Books	Balance as per Bank Statement	Difference
Allahabad Bank	881,018,121	841,741,801	39,276,320
UCO Bank	824,260,117	817,658,504	6,601,613
Oriental bank of Commerce	757,890,163	759,638,813	(1,748,650)
Syndicate Bank	633,182,253	685,435,988	(52,253,735)
Indian Bank	484,704,702	388,943,666	95,761,036
HDFC Bank Limited	361,818,318	369,148,250	(7,329,932)
IndusInd Bank	488,927,782	499,920,260	(10,992,478)
India Infrastructure Financial Corporation Limited	1,266,794,458	1,280,039,002	(13,244,544)
Total	**5,698,595,914**	**5,642,526,284**	**56,069,630**

The company has discussed this issue with lenders independently as well in JLF meeting. The reconciliation of the balances is in progress.

Few banks have reversed unrealised interest from the term loan account of the company as per Income Recognition and Asset Classification (IRAC) norms of RBI. However, as the liability of the company to pay this interest continues, the reversal has not been considered in the books of company.

14) **Balances of Sundry Creditors / Sundry Debtors are subject to confirmation and reconciliation, if any.**

15) **Disclosure for IndAS 17 (Accounting for Leases)**

(a) 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.

(b) On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified new Ind AS on leases, Indian Accounting Standard (Ind AS) 116 applicable from 01/04/2019. However there is no assets which is covered under the above standard for the company. Hence the same has no impact for the company.

NOTES FORMING PART OF ACCOUNTS (Contd.)

16) **Going Concern**

Company's current liabilities exceeded the current assets by ₹2,12,87,71,054/- which includes Revenue share including interest payable to GSRDC amounting to ₹64,14,75,203/- and provision for Major Maintenance for ₹1,00,20,37,663. With respect to revenue share payable to GSRDC, it shall be met out of the resolutions expected under the concession agreement for the disputes already raised with GSRDC. As per the concession agreement conciliation committee happened among the parties and the company is awaiting for the outcome of the same. Major maintenance reserve will be spent depending on the maintenance requirement as per the concession agreement. Hence considering the said facts, financials are prepared with the assumption of going concern.

17) Oriental Bank of Commerce who is one of the consortium lender has issued letter dated September 12, 2018 for recalling of outstanding amount of loan. Further Oriental Bank of Commerce has initiated Insolvency proceedings in National Company Law Tribunal Chennai, dated January 21, 2019. Both the parties have made there side of arguments and matter has been reserved for order.

18) **Income Tax Expenses**

a The company is not required to pay current income tax due to tax loss as determined in accordance with the Income Tax Act, 1961.

b) In view of losses incurred by the Company during the current year under Income Tax Act 1961, deferred tax assets on deductible temporary differences and carry forward of unused tax losses have been recognised for in the books to the extent of deferred tax liability on consideration that the taxable income will not be available in the foreseeable future years against which those temporary differences, losses and tax credit can be utilized.

The Company is also eligible for deduction under section 80IA of the Income Tax Act, 1961, which its propose to claim in the future years.

19) **Financial Instruments**

Disclosure of Financial Instruments by Category

Financial instruments by categories	**Note no.**	**March 31, 2019**			*March 31, 2018*		
		FVTPL	**FVTOCI**	**Amortized cost**	*FVTPL*	*FVTOCI*	*Amortized cost*
Financial asset							
Security Deposits	3	-	-	**1,769,328**	-	-	*1,769,328*
Trade receivables	5	-	-	**21,210,728**	-	-	*18,916,732*
Cash and Bank Balances	6&7	-	-	**11,520,179**	-	-	*19,793,845*
Total Financial Asset		-	-	**34,500,235**	-	-	*40,479,905*
Financial liability							
Term Loan from Banks	10	-	-	**5,534,820,190**	-	-	*5,798,191,515*
Revenue Share Payable to GSRDC including interest accrued thereon	11	-	-	**641,475,201**	-	-	*479,994,860*
Negative/Positive scope payment	11	-	-	**78,960,236**	-	-	*78,960,236*
Interest Accrued on borrowings	11	-	-	**155,910,317**	-	-	*75,567,256*
Trade Payables	14	-	-	**28,127,643**	-	-	*25,317,252*
Total Financial Liabilities		-	-	**6,439,293,587**	-	-	*6,458,031,119*

Default and breaches

Please refer Note No 10 (c) for default made by company in repayment of borrowings.

20) **Fair value of Financial asset and liabilities at amortized cost**

Particular	**Note no.**	**March 31, 2019**		**March 31, 2018**	
		Carrying amount	**Fair value**	*Carrying amount*	*Fair value*
Financial Assets					
Security Deposits	3	**1,769,328**	**1,769,328**	*1,769,328*	*1,769,328*
Trade receivables	5	**21,210,728**	**21,210,728**	*18,916,732*	*18,916,732*

NOTES FORMING PART OF ACCOUNTS (Contd.)

Cash and Bank Balances	6&7	**11,520,179**	**11,520,179**	*19,793,845*	*19,793,845*
Total Financial Assets		**34,500,235**	**34,500,235**	*40,479,905*	*40,479,905*
Financial liability					
Term Loan from Banks	10	**5,534,820,190**	**5,534,820,190**	*5,798,191,515*	*5,798,191,515*
Revenue Share Payable to GSRDC including interest accrued thereon	11	**641,475,201**	**641,475,201**	*479,994,860*	*479,994,860*
Negative/Positive scope payment	11	**78,960,236**	**78,960,236**	*78,960,236*	*78,960,236*
Interest Accrued	11	**155,910,317**	**155,910,317**	*75,567,256*	*75,567,256*
Trade Payables	14	**28,127,643**	**28,127,643**	*25,317,252*	*25,317,252*
Total Financial Liabilities		**6,439,293,587**	**6,439,293,587**	*6,458,031,119*	*6,458,031,119*

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

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

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

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

Refer Note (22) for information on Financial Asset pledged as security

21) Fair Value Measurement

Fair Value Measurement of Financial asset and Financial liabilities

As at March 31, 2019

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

Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed	Note No.	Level 1	Level 2	Level 3	Total
Financial Assets					
Security Deposits	3	-	-	1,769,328	1,769,328
Trade receivables	5	-	-	21,210,728	21,210,728
Total of Financial Assets		**-**	**-**	**22,980,056**	**22,980,056**
Financial Liabilities					
Term Loan from Banks	10	-	-	5,534,820,190	5,534,820,190
Revenue Share Payable to GSRDC including interest accrued thereon	11	-	-	641,475,201	641,475,201
Negative/Positive scope payment	11		-	78,960,236	78,960,236
Interest Accrued on borrowings	11	-	-	155,910,317	155,910,317
Trade Payables	14	-	-	28,127,643	28,127,643
Total Financial liabilties		**-**	**-**	**6,439,293,587**	**6,439,293,587**

NOTES FORMING PART OF ACCOUNTS (Contd.)

As at March 31, 2018

Financial Asset & Liabilities Measured at FV - Recurring FVM	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL					
Investments in Mutual Funds		-	-	-	-
Total of Financial Assets		-	-	-	-
Financial Liabilitieis measured at FVTPL		-	-	-	-
Total of Financial Liabilities		-	-	-	-

Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed	Note No.	Level 1	Level 2	Level 3	Total
Financial Assets					
Security Deposits	3	-	-	1,769,328	1,769,328
Trade receivables	5	-	-	18,916,732	18,916,732
Total Financial Assets		**-**	**-**	**20,686,060**	**20,686,060**
Financial Liabilities					
Term Loan from Banks	**10**	**-**	**-**	**5,798,191,515**	**5,798,191,515**
Revenue Share Payable to GSRDC including interest accrued thereon	**11**	**-**	**-**	**479,994,860**	**479,994,860**
Negative/Positive scope payment	**11**		**-**	**78,960,236**	**78,960,236**
Interest Accrued	**11**	**-**	**-**	**75,567,256**	**75,567,256**
Trade Payables	**14**	**-**	**-**	**25,317,252**	**25,317,252**
Total Financial Liabilities		**-**	**-**	**6,458,031,119**	**6,458,031,119**

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

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

Valuation technique and inputs used to determine fair value

Financial assets and liabilities	Valuation method	Inputs
Financial assets		
Investment in Mutual Funds	MarketApproach	NAV
Security deposit	Income	Cashflow
Financial liabilities		
Term Loan from Banks	Income	CurrentBankRate
Loans from Related parties	Income	CurrentBankRate
Revenue Share Payable to GSRDC (Including Interest)	Income	Cashflow

22) Asset pledged as security

Particulars	Note no	March 31, 2019	March 31, 2018
Non Financial Asset			
Property, Plant & Equipment	1	11,465,679	48,389,590
Other Non Current Assets	4	144,906	144,906
Other Current Assets	4	1,789,050	2,400,516
Financial Asset			
Security Deposits	3	1,769,328	1,769,328
Cash and Bank Balances	6&7	11,520,179	19,793,845
Trade and Other Receivables	5	21,210,728	18,916,732
TOTAL		**47,899,870**	**91,414,917**

NOTES FORMING PART OF ACCOUNTS (Contd.)

23) Financial Risk Management

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

Market risk

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

I Foreign Currency Risk

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

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

ii Interest rate risk

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

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

Currently, Lending by Commercial Banks is at variable rate only, which is the inherent business risk.

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

Particulars	**March 31, 2019**	*March 31, 2018*
Senior Debt from Banks - Variable rate borrowings	**5,534,820,190**	*5,798,191,515*

Sensitivity analysis based on average outstanding Senior Debt

Interest Rate Risk Analysis	**Impact on profit/ loss after tax**	
	FY 2018-19	*FY 2017-18*
Increase or decrease in interest rate by 25 basis point	**14,166,265**	*14,696,797*

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

iii Price risk

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

The company 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.

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.

NOTES FORMING PART OF ACCOUNTS (Contd.)

The following are the contractual maturities of financial liabilities

As at March 31, 2019	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Senior Debt from Banks	**5,534,820,190**	**227,201,538**	**418,071,780**	**2,179,945,716**	**2,709,601,156**
Loans from related parties	-	-	-	-	-
Revenue Share Payable to GSRDC including interest accrued thereon *	**641,475,201**	**641,475,201**	-	-	-
Negative/Positive scope payment	-	-	-	-	-
Interest Accrued	**155,910,317**	**155,910,317**	-	-	-
Trade Payables	**28,127,643**	**28,127,643**	-	-	-
Total	**6,360,333,351**	**1,052,714,699**	**418,071,780**	**2,179,945,716**	**2,709,601,156**
* Subject to Deferment agreement signed by the GSRDC					
Derivative Financial Liability	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

As at March 31, 2018	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Senior Debt from Banks	*5,798,191,515*	*194,592,467*	*298,622,712*	*1,702,149,396*	*3,602,826,940*
Loans from related parties	-	-	-	-	-
Revenue Share Payable to GSRDC including interest accrued thereon *	*479,994,860*	*479,994,860*	-	-	-
Negative/Positive scope payment	*78,960,236*	*78,960,236*			
Interest Accrued	*75,567,256*	*75,567,256*	-	-	-
Trade Payables	*25,317,252*	*25,317,252*	-	-	-
Total	*6,458,031,119*	*854,432,071*	*298,622,712*	*1,702,149,396*	*3,602,826,940*
Derivative Financial Liability	*NIL*	*NIL*	*NIL*	*NIL*	*NIL*
Derivative Financial Liability	*NIL*	*NIL*	*NIL*	*NIL*	*NIL*

v **Credit risk**

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

The company generally does not have trade receivables as collection of toll income coincide as and when the traffic passes through toll - plazas. The company has other receivables primarily from government authority i.e. GSRDC. Hence, the management believes that the company is not exposed to any credit risk.

24) Disclosure pursuant to Appendix - E to Ind AS 115 - " Service Concession Arrangements"

24.1) Description and classification of the arrangement

The Company has entered into Concession Agreement ('CA') with Gujarat State Road Development Corporation Limited (GSRDC) dated September 17, 2008 for construction of additional 2 lane for Halol-Shamlaji Road to make it Four Lane Divided Carriageway Facility under Viability Gap Funding Scheme of Government of India on Built Operate and Transfer basis. The Concession Period is of 20 years including construction period of 910 days. The Company obtained provisional completion certificate on 4th April 2012 from the GSRDC. As per the CA, the company is entitled to charge users of the public service, hence the service arrangement has been classified as Intangible Asset.

NOTES FORMING PART OF ACCOUNTS (Contd.)

24.2) Significant Terms of the arrangements

24.2.1) Revision of Fees:

Fees shall be revised annually on April 01 subject to the provisions Article 6 and Schedule G of the Concession Agreement dated Sept 17, 2008.

24.2.2) Concession Fee, Other Fees and Excess Revenue Sharing:

As per Article 7 of the Concession Agreement, the company is liable to pay Concession Fee Re 1 every year. The company is also liable of payment of Additional Concession Fee at the rate of 10.21% of total realisable fee. The rate of additional concession fee increases by 1% for each subsequent period of concession. i.e. 11.21% for second year, 12.21% for third year and so on

24.2.3) Rights of the Company for use of Project Highway

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

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

24.2.4) 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 is under obligation to carry out the routine and periodic maintenance of Project Highway as per Schedule L of the CA.

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

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

24.2.6) Details of Termination

CA can be terminated on account of default of the company or GSRDC in the circumstances as specified under article 30 of the CA.

24.2.7) Significant Changes in the terms Original Concession Agreement till March 31, 2019.

a) As per Supplementary Agreement dated 9th Nov 2015 GSRDC has extended the concession period by 111 days due to various issues during construction period.

25) 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, 2019**	*March 31, 2018*
	₹	₹
Equity	**7,953,461,250**	*7,953,461,250*
Other Equity	**(4,104,496,207)**	*(3,609,400,811)*
Total	**3,848,965,043**	*4,344,060,439*

The company does not have any externally imposed capital requirement.

26) Previous Year Figures are regrouped / reclassified wherever required.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

H. 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 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015] and Companies (Indian Accounting Standards) Amendment Rules, 2016.

(b) Basis of measurement

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

- Certain financial assets and liabilities
- Net defined benefit (asset) / liability

(c) Use of critical and significant estimates and judgements

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

1. Allowance for expected credit losses: The expected credit allowance is based on the aging of the days receivables are due and the rates derived based on past history of defaults in the provision matrix. As regards subsidy receivables, the Company does not believe that there is any credit risk as dues are receivable from the Government and hence no allowance for expected credit loss is made.

2. Useful lives of property, plant and equipment and intangible assets: Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2019 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

(e) Measurement of fair values

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

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

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

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

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

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

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

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

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

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

2 Presentation of financial statements

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

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

3 Revenue recognition

The company primarily derives revenue in terms of the Appendix D to Ind AS 115 which covers specific aspects related to the Service Concession Agreements. The company follows Intangible Asset model prescribed in the Appendix.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

Revenue is recognized upon transfer of control of promised service to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services or goods. Revenue, primarily, is measured based on the transaction price (realization of toll receipts), which is the consideration for usage of the toll roads. Since the company does not provide any other services, the disaggregation of revenues is not disclosed.

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

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

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

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

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

4 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank (including demand deposits) and in hand and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdraft is shown within borrowings.

Short term deposits are made for varying periods between one day and 12 months, depending on the immediate cash requirement and earn interest at fixed the respective short term deposit rates.

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:

(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.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

6 Property, plant and equipment (PPE)

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset at the time of disposal and are recognized in the statement of profit and loss when the asset is derecognized.

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

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

The estimated useful lives of the assets are as follows:

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

7 Amortisation of intangible assets

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

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

8 Intangible assets

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 Gujarat State Road Development Corporation Ltd (GSRDC), if any. Till the completion of the project, the same is recognised under intangible assets under development. The revenue from toll collection/other income during the construction period is reduced from the carrying amount of intangible assets under development.

The cost incurred for work beyond the original scope per Concession agreement (normally referred as "Change of Scope") is capitalized as intangible asset under development as and when incurred. Reimbursement in respect of such amounts from Gujarat State Road Development Corporation Ltd (GSRDC) are reduced from the carrying amount intangible assets to the extent of actual receipts.

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

9 Employee benefits

Employee benefits include provident 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 Life Insurance corporation are the Group's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

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

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

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

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

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

(iii) Other long term employee benefits:

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

(iv) Termination benefits

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

10 Borrowing costs

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

11 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 chief operating decision maker in deciding how to allocate resources and in assessing performance. The company / Group's chief operating decision maker is the Chief Executive Officer and Managing Director.

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'.

12 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.

13 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.

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

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

or liability that at the time of the transaction affects neither the accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset/liability is realised or settled.

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

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

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

14 Impairment of assets

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

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

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

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

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

15 Provisions, contingent liabilities and contingent assets

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

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

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

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

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

16 Foreign currency transactions and translations

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

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

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

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

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

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

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

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

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

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

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

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

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

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

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

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

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

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

17 Financial Instruments

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

a) Financial Assets

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

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

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

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

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

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

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

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

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

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

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

b) Financial Liabilities

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

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

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

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

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

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

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

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

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

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

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

18 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.

19 Operating Cycle

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

20 Recent accounting pronouncements

Standards issued but not yet effective

Issue of INDAS 116 – Lease Accounting

Effective from1 April 2019, IND AS 116 shall supercede the existing IND AS 17 and company shall be required to adopt IND AS 116- lease accounting, which shall require the following:

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

As lessor:

Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid.

Right-of-use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration costs and any initial direct costs incurred by the lessee.

The lease liability is measured in subsequent periods using the effective interest rate method. The right- of-use asset is depreciated in accordance with the requirements in Ind AS 16, Property, plant and equipment.

Recognition and measurement exemption is available for low-value assets and short-term leases. Assets of low-value include IT equipment or office furniture. No monetary threshold has been defined for low- value assets. Short-term leases are defined as leases with a lease term of 12 months or less.

If an entity chooses to apply any one of the exemptions, payments are recognised on a straight-line basis or another systematic basis that is more representative of the pattern of the lessee's benefit.

As lessee:

Entities are not required to reassess existing lease contracts but can elect to apply the guidance regarding the definition of a lease only to contracts entered into (or changed) on or after the date of initial application ('grandfathering'). This applies to both contracts that were not previously identified as containing a lease applying Ind AS 17 and those that were previously identified as leases in Ind AS 17.

Full retrospective application is optional.

Lessee can elect to apply the simplified approach and not restate the comparative information. The cumulative effect of applying the standard is recognised as an adjustment to the opening balance of retained earnings at the date of initial application.

The company does not expect the impact of new standard to be material on its retained earnings and to its net income on an ongoing basis.

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:

(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

T R CHADHA & CO LLP
Chartered Accountants
Firm Registration No : 006711N / N500028
by the hand of

ARVIND MODI	**SIPRA PAUL**	**J M LINGAREDDY VONTEDDU**	**KARTHIKEYAN T V**	**PRAMOD SUSHILA KAPOOR**
Partner	*Company Secretary*	*Chief financial officer*	*Directector*	*Director*
Membership No.: 112929			*DIN: 01367727*	*DIN: 02914307*

Place: Ahmedabad
Date:

Place: Chennai
Date: 19-04-2019