BOARD'S REPORT

Dear Members,

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

1. **FINANCIAL RESULTS / FINANCIAL HIGHLIGHTS :**

₹ in crore

Particulars	**2018-19**	*2017-18*
Profit / (Loss) Before Depreciation, exceptional items & Tax	**58.95**	*48.14*
Less: Depreciation, amortization, impairment and obsolescence	**0.01**	-
Profit / (Loss) before exceptional items and tax	**58.94**	*48.14*
Add: Exceptional Items	**-**	-
Profit / (Loss) before tax	**58.94**	*48.14*
Less: Provision for tax	**15.25**	*12.80*
Profit for the year carried to the Balance Sheet	**43.70**	*35.33*
Add: Comprehensive income	**(0.02)**	*0.02*
Total Comprehensive income of the year	**43.68**	*35.36*
Add: Balance brought forward from previous year	**57.02**	*57.00*
Balance available for disposal (which the Directors appropriate as follows)	**100.70**	*92.36*
Debenture Redemption Reserve	**43.70**	*35.33*
Balance to be carried forward	**57.01**	*57.02*

2. **CAPITAL & FINANCE :**

The Company has not issued and allotted share capital during the year.

The Company redeemed on June 1, 2018 representing 1284 NCDs @ ₹ 10 lakh each, which was approved by the members at the meeting held on May 28, 2015 and the Company redeemed on April 24, 2018 representing series A - 230 NCDs @ ₹ 10 lakh each, which was approved by the members at the meeting held on March 27, 2017.

3. **CAPITAL EXPENDITURE :**

As at March 31, 2019 the gross fixed and intangible assets including leased assets stood at ₹ 3.99 crore and the net fixed and intangible assets, including leased assets at ₹ 3.98 crore. Capital Expenditure during the year amounted to ₹ 17.75 crore in Intangible assets and ₹ 0.06 crore in tangible assets.

As at March 31, 2019 the tangible assets under development amounts to ₹ 2.66 crore. Capital Expenditure incurred for Tangible Assets under development in FY 2018-19 amounting to ₹ 2.62 crore.

4. **DEPOSITS :**

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

5. **DEPOSITORY SYSTEM :**

As on March 31, 2019, the shares of the Company are held in the following manner:

Equity shares:

More than 99.99% of the Company's equity paid up capital representing 192599998 equity shares @ ₹ 10/- each are held in dematerialized form and 2 equity shares @ ₹ 10/- each are held in physical form.

Non-convertible Debentures (NCD):

100% of Debentures representing 14770 NCDs @ ₹ 10 lakh each are held in dematerialized form and are listed with Bombay Stock Exchange.

6. **SUBSIDIARY COMPANIES :**

The Company does not have any Subsidiary/Associate/Joint Venture Companies.

7. **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 facility, the provisions of Section 186 of the Companies Act, 2013 (Act) except sub-section (1) are not applicable to the Company. The details of loans given, investment made or guarantees given or security provided in Note no:2 & 4 of the financial statement.

8. **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :**

All related party transactions during the year have been approved in terms of the Act. Details of Related Party Transactions (RPTs) are provided in AOC-2 –'Annexure 1'. All RPTs are at arms-length basis and are in the ordinary course of business.

9. STATE OF COMPANY AFFAIRS :

The gross revenue and other income for the financial year under review were ₹ 218.85 crore as against ₹ 209.22 crore for the previous financial year registering an increase of 4.60%. The profit before tax from continuing operations including extraordinary and exceptional items was ₹ 58.94 crore and the profit after tax from continuing operations including extraordinary and exceptional items of ₹ 43.68 crore for the financial year under review as against ₹ 48.14 crore and ₹ 35.36 crore respectively for the previous financial year, registering an increase of 22.45% and 23.53% respectively.

An unprecedent storm like wind condition triggered 5 of the transmission towers in the village Bannigola. The 5 towers and the transmission line was restored to operation on June 26, 2018. The Central Electricity Authority (CEA) was convinced that the tower collapse was due to act of God and the natural calamity implies that there will be no impact on revenue or consequent penalties.

10. AMOUNT TO BE CARRIED TO RESERVE :

The company has transferred an amount of ₹ 43.70 crore and ₹ 35.33 crore to Debenture Redemption Reserve in FY 2018-19 and FY 2017-18 respectively.

11. DIVIDEND :

As the Company has no distributable profits, no dividend is recommended during 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 and commitments have occurred which affect the financial position of the Company between the end of the financial year and the date of this report.

12. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS :

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

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :

Conservation of Energy and Technology absorption:

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

Foreign exchange earnings and outgo:

There is no foreign exchange income or outgo during the year.

14. 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.

15. CORPORATE SOCIAL RESPONSIBILITY :

The Company has constituted a Corporate Social Responsibility Committee in accordance with requirements of Section 135 of the Act read with the rules made thereunder comprising of Dr. Koshy Varghese, Mr. Karthikeyan TV and Mr. P.G.Suresh Kumar as Members of the Committee.

The terms of reference of the Corporate Social Responsibility Committee are in line with the provisions of the Act.

During the year, two corporate social responsibility committee meetings were held and the details are given below,

Date	Strength of the Committee	No. of members present
April 20, 2018	3	3
January 11, 2019	3	3

The CSR Policy as approved by the Board of Directors is available on website of its Holding Company (L&T IDPL) www.lntidpl.com.

The provisions pertaining to Corporate Social Responsibility (CSR) as prescribed under the Act are applicable to your Company and the details of CSR expenditure is enclosed to this Report as 'Annexure 2'.

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

Mr.P.G.Suresh Kumar, Director retired by rotation at the Annual General Meeting held on September 27, 2018 and was reappointed as Director.

Mr.Mathew George resigned as Director of the Company with effect from July 14, 2018.

Following is the composition of the Board of Directors of the Company as on March 31, 2019:

S. No.	Name	Designation
1	Mr. Karthikeyan T.V	Director
2	Mr. P. G. Suresh Kumar	Director
3	Dr. Koshy Varghese	Independent Director
4	Ms. Samyuktha Surendran	Independent Director

Mr. Biswajit Senapati resigned as Chief Financial Officer of the Company with effect from April 18, 2018 and consequent upon his resignation Ms. R. Swathi was appointed with effect from April 20, 2018.

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

S. No	Name	Designation
1	Mr. Ojes Cheriyan Madappattu	Manager
2	Ms. R. Swathi	Chief Financial Officer
3	Mr. R. G. Ramachandran	Company Secretary

Number of Meetings of the Board of Directors

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

During the year four Board Meetings were held. The details of the Board meetings conducted during the year are given below:

Date	Board Strength	No. of Directors present
April 20, 2018	5	5
July 14, 2018	5	3
October 20, 2018	4	2
January 11, 2019	4	4

Information to the Board

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

- Annual revenue budgets and capital expenditure plans
- Quarterly financials and results of operations
- Financing plans of the Company
- Minutes of the meeting of the Board of Directors, Audit Committee (AC), Nomination and Remuneration Committee (NRC), Corporate Social Responsibility Committee (CSR)
- Report on 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/CSR (minutes of Board, AC, NRC and CSR are circulated to the Board), where Directors get an opportunity to interact with senior managers. Presentations, interalia cover business strategies, management structure, management development and planning, half-yearly and annual results, budgets, treasury, review of Internal Audit, risk management, etc.

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

Audit Committee

The Company has constituted an Audit Committee in terms of the requirements of the Companies Act, 2013. During the year the Committee was reconstituted on October 17, 2018 with the inclusion of Mr. Karthikeyan TV as Member in the place of Mr. P. G. Suresh Kumar. As at March 31, 2019 the Audit Committee comprised of Dr. Koshy Varghese, Ms. Samyuktha Surendran and Mr. Karthikeyan TV.

During the year, four audit committee meetings were held. The details of the meetings conducted during the year under review are given below:

Date	Strength of the Committee	No. of members present
April 20, 2018	3	3
July 14, 2018	3	2
October 20, 2018	3	2
January 11, 2019	3	3

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 victimisation of persons who avail the same and provides for direct access to the Chairman of the Audit Committee.

Members can view the details of the whistle blower policy under the said framework of the Company on the website of its Holding Company (L&T Infrastructure Development Projects Limited) 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. The Committee comprised of Dr. Koshy Varghese, Ms. Samyuktha Surendran and Mr. P. G. Suresh Kumar.

During the year, one Meeting of the Nomination and Remuneration Committee was held. The details of the meeting conducted during the year under review are given below:

Date	Strength of the Committee	No. of members present
April 20, 2018	3	3

The Committee had formulated a policy on Director's appointment and remuneration including recommendation of remuneration of the Key Managerial Personnel (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.

17. ADEQUACY OF INTERNAL FINANCIAL CONTROLS :

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Act. For the year ended March 31, 2019, the audit committee and Board have 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.

18. 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.

19. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS :

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

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

Further, the Independent Directors at the 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.

20. DISCLOSURE OF REMUNERATION :

The information required under Section 197(12) of the Act and the Rules made thereunder, is provided below.

The Directors of the Company are not paid any remuneration except sitting fees to certain Directors. Hence, the remuneration of the Directors to that of the employees of the Company is not comparable.

Remuneration of KMP

(Amount in ₹)

Name of the KMP	Designation	Remuneration in FY 18-19	Remuneration in FY 17-18	% increase in remuneration of FY 2018-19 as compared to previous financial year	Performance of the Company	
					% increase in revenue of FY 2018-19 as compared to previous financial year	% increase in profit after tax of FY 2018-19 as compared to previous financial year
Mr. Ojes Cheriyan Madappattu	Manager	20,47,875	18,00,000	13.77%	4.60%	23.53%

The Median Remuneration of Employees ("MRE") was ₹ 4,75,946/- and ₹ 6,12,800/- in the financial year 2018-19 and 2017-18 respectively. The decrease in MRE in the financial year 2018-19over the previous financial year is 11%.

The number of permanent employees on the rolls of the Company as of March 31, 2019 and March 31, 2018 was 12 and 5 respectively.

The remuneration paid to the employees is as per the remuneration policy of the Holding Company.

A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of ₹ 1.02 crore or more, or employed for part of the year and in receipt of ₹ 8.5 lakh or more a month under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed to this report as 'Annexure 3'.

In terms of Section 136(1) of the Act and the Rules made thereunder, the Report and Accounts are being sent to the shareholders. None of the employees listed in the said Annexure 3 are related to any Director of the Company.

21. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS :

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

22. 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 compliance committee under the Sexual Harrassment of Women at Workplace (Prevention, Prohibtion and Redressal) Act, 2013. There were no complaints of sexual harassment received by the Company during the year.

23. AUDITORS REPORT :

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

24. AUDITOR :

The Company at the third Annual General Meeting (AGM) held on September 25, 2015 for the Financial Year 2015-16 had appointed M/s. M. K. Dandeker & Co, Chartered Accountants, (Registration no. 000679S), Chennai as Statutory Auditors of the Company to hold office from the conclusion of that AGM until the conclusion of the AGM to be held during the year 2020.

25. SECRETARIAL AUDITOR :

M/s.Balaji Rajan & Associates, Company Secretary in practice (CP No. 6965), was appointed to conduct the secretarial audit of the Company for the financial year 2018-19, as required under Section 204 of the Act and Rules thereunder. The secretarial audit report dated April 12, 2019 to the Shareholders for the financial year 2018-19 is attached to this Report and is unqualified and has no adverse remark -'Annexure 4'.

26. COST AUDITOR :

M/s. Srinivasan Damodaram & Associates, Cost Accountant (Membership No. 000825), was appointed as Cost Auditor of the Company for audit of cost accounting records for the financial year 2018-19, pursuant to the provisions of Section 148 of the Act and Rule 3 and 4 of the Companies (Cost Records and Audit) Amendment Rules, 2014. The Report of the Cost Auditors for the financial year 2018-19 would be filed with the Ministry of Corporate Affairs once the same is finalised.

The cost audit report for the year 2017-18 was filed with MCA on October 24, 2018.

27. 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.

28. EXTRACT OF ANNUAL RETURN :

The extract of the annual return in Form No. MGT – 9 is enclosed to this Report as 'Annexure 5'.

29. DEBENTURE TRUSTEE :

As at March 31, 2019, the total outstanding debentures alloted by the company were Rs. 1,477 crore. M/s. IDBI Trusteeship Services Limited, having their office at Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001 have been appointed as the debenture trustee for the same.

30. 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, stock exchanges and all the stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

	KARTHIKEYAN TV	P. G. SURESH KUMAR
Place : Chennai	*Director*	*Director*
Date: 22.04.2019	*DIN : 01367727*	*DIN : 07124883*

ANNEXURE 1

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

1. Details of contracts or arrangements or transactions not at arm's length basis

   The Company has not entered into such transactions during the year.
2. Details of material contracts or arrangement or transactions at arm's length basis
   a) There were no material contracts or arrangements entered into by the company with related party(s) during the F.Y. 2018-19 which required shareholders' approval as per Section 188(1) of Companies Act 2013.
   b) The details of related party transactions during the F.Y. 2018-19 form part of the financial statement as per Ind As 24 and the same is given in Note H(6).

For and on behalf of the Board

	KARTHIKEYAN TV	P. G. SURESH KUMAR
Place : Chennai	*Director*	*Director*
Date : 22.04.2019	*DIN : 01367727*	*DIN : 07124883*

ANNEXURE 2

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

a. Amount to be spent on CSR:

Particulars	**₹**
Average Net Profit of the Company for the last three financial years	25,83,91,213
Amount to be spent as CSR during the year	51,67,824
Amount carried forward from earlier years	18,93,770
Amount spent during the year	29,57,606
Amount unspent aggregating	41,03,988

The CSR committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the Company.

b. Manner in which amount spent during the financial year:

(Amount in ₹)

CSR project/activity identified	**Sector in which the Project is covered**	**Projects/Programs 1) Local area or other 2) specify the State and district where projects or Programs was undertaken**	**Amount outlay (budget) project / program wise**	**Amount spent on the project / programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads**	**Cumulative spend upto the reporting period**	**Amount spent (Direct / implementing agency)**
Construction of Class room in Government Higher Secondary School at						
a. Chitradurga, Karnataka	Education	Chitradurga, Katarki, Bannigola, Karnataka	20,60,000	18,24,806	18,24,806	
b. Katarki Village, Karnataka			25,00,000	5,66,400	23,91,206	29,57,606
c. Bannigola Village, Karnataka			25,00,000	5,66,400	29,57,606	
Total			**70,60,000**	**29,57,606**	**29,57,606**	**29,57,606**

The Company already identified the projects and the partial work / payment done. During first quarter FY 2019-20 the identified project works will be completed and thereupon payment will be made by the Company.

For and on behalf of the Board

KARTHIKEYAN TV
Director
DIN : 01367727

P. G. SURESH KUMAR
Director
DIN : 07124883

Place : Chennai
Date: 22.04.2019

ANNEXURE 3

INFORMATION AS PER RULE 5(2) OF CHAPTER XIII, THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

NAMES OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION

S No	Employee Name	CTC in ₹
1	Mr. Ojes C Madappattu	20,47,875
2	Mr. Kakarla Sathar Kiran	8,33,966
3	Mr. K Kaladharan	6,63,050
4	Mr. Sridharamurthy M R	6,24,033
5	Mr. More Nagesh Dhondiba	5,59,290
6	Mr. Poorna Chandra Rao N	4,82,000
7	Mr. Chiranjeevi K	4,69,893
8	Mr. Dora Babu S	4,62,000
9	Mr. Pradeep J	4,43,000
10	Mr. Naveen B	4,24,000

INFORMATION AS PER RULE 5(2) OF CHAPTER XIII, THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

NAME OF EMPLOYEE WITH REMUNERATION NOT LESS THAN ₹ 1.02 CRORE: NIL

For and on behalf of the Board

KARTHIKEYAN TV
Director
DIN : 01367727

P. G. SURESH KUMAR
Director
DIN : 07124883

Place: Chennai
Date: 22.04.2019

ANNEXURE 4

FORM NO.MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 2018-19

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

To,

The Members,

M/S. KUDGI TRANSMISSION LIMITED,

Chennai

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/S. KUDGI TRANSMISSION LIMITED (CIN U40106TN2012PLC111122) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/S .KUDGI TRANSMISSION LIMITED books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended 31st March 2019, complied with the statutory provisions listed thereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, paper, minute books, forms and returns filed other records maintained by M/S.KUDGI TRANSMISSION LIMITED ("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 there under;

ii) The National Highways Authority of India Act, 1988.

The Company has complied with the provisions of Securities Exchange of Board of India (Listing Obligation and Disclosure Requirements), 2015 and it has published half year financial results in the newspaper.

The Company is a Debt Listed Closely held Public Limited Company and hence compliance under the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') via:

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

ii. The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009

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

iv. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and

v. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 are NOT ATTRACTED.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India and during the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc as mentioned above.

Further that the management of the Company as informed that all the Related Party Transactions entered by the Company during the period under review have been entered at Arm's Length Basis and in the Ordinary Course of Business and therefore, compliance of provisions of Companies Act, 2013 in respect of any of these transactions do not arise.

I further report that the Board of Directors of the Company is constituted with Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the periods under reviews were carried out in compliance with the provisions of the Act.

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

In respect of resolution passed in circulation the company followed a healthy system of circulating the detailed agenda to all the Directors in a single file system, followed by placing the concerned agenda in the subsequent meeting.

A review of the minutes of the Board meetings held during the year indicate that wherever required detailed deliberations were carried out in respect of all the agenda items that were required to be so carried out and there were no dissenting views in respect of any of the items.

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

I further report that during the period under review, the Board of Directors of the Company has approved the following major items:

-Mr. Biswajit Senapati has resigned from the position of Chief Financial Officer of the Company w.e.f. 18/04/2018

-Ms. Ravisankar Swathi has been appointed as Chief Financial Officer of the Company w.e.f. 20/04/2018

-Mr. Mathew George has resigned from the position of Director of the Company w.e.f.14/07/2018

I further report that my audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliances by the Company and I am not responsible for any lapses in those compliances on the part of the Company.

Place: Chennai
Date: 12.04.2019

M. BALAJI RAJAN
Company Secretary in Practice
C.P.No.6965

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

Annexure A

To

The Members,

M/s.Kudgi Transmission Limited,

Chennai.

Our report of even date, it is to be read along with this supplementary testimony:

a) Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Record based on our audit.

b) We have followed the audit practices and processes that were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a 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.

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

d) Wherever required, we have obtained Management representation about the compliance of laws, rules and regulation and happenings of events etc.

e) The Compliance of the provisions of corporate and other applicable laws, rules and regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company.

Place: Chennai
Date: 12.04.2019

M. BALAJI RAJAN
Company Secretary in Practice
C.P.No.6965

ANNEXURE 5

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	U40106TN2012GOI111122
Registration Date	27/11/2012
Name of the Company	KUDGI TRANSMISSION LIMITED
Category / Sub-Category of the Company	Company limited by shares/ Indian non- government company
Address of the Registered office and contact details	P.O.Box.979, Mount Poonamallee Road Manapakkam Chennai TN 600089 www.lntidpl.com
Whether listed company Yes / No	Yes. Listed with BSE
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/erection and maintenance of Power, Telecommunication and Transmission Line	42202	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 U65993TN2001PLC046691	Holding	99.9%	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 at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	192599993	–	192599993	99.99	192599993	–	192599993	99.99	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other….	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	**192599993**	**–**	**192599993**	**99.99**	**192599993**	**–**	**192599993**	**99.99**	**–**
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)	**192599993**	**–**	**192599993**	**99.99**	**192599993**	**–**	**192599993**	**99.99**	**–**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. 1) Public Shareholding Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt (s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds									
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B) (1):-									
2) Non-Institutions									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	–	7	7	0.01	5	2	7	0.01	–
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B) (2):-	**–**	**7**	**7**	**0.01**	**5**	**2**	**7**	**0.01**	**–**
Total shareholding of Public shareholding (B) = (B)(1)+(B)(2)	**–**	**7**	**7**	**0.01**	**5**	**2**	**7**	**0.01**	**–**
C. Shares held by Custodian for GDRs & ADRs	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Grand Total (A+B+C)	**192599993**	**7***	**192600000**	**100**	**192599998**	**2**	**192600000**	**100**	–

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

(ii) Shareholding of Promoters

S. No	Shareholder's Name	No. of Shares held as on April 1, 2018			No. of Shares held as on March 31, 2019			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	L&T Infrastructure Development Projects Limited	192599993	99.99%	-	192599993	99.99%	-	-
	Total	**192599993**	**99.99%**	**-**	**192599993**	**99.99%**	**-**	**-**

(iii) Change in Promoters' Shareholding (please specify, if there is no change): 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. Shailesh K Pathak jointly with L&T IDPL**				
	As on April 1, 2018	-	-	-	-
	Share transferred from Mr. K.Venkatesh jointly with L&T IDPL	1	0	1	0
	As on March 31, 2019	1	0	1	0
2.	**Dr. Esther Malini 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
3.	**Mr. P. Padmanabhan jointly with L&T IDPL**				
	As on April 1, 2018	–	–	–	–
	Share transferred from Mr. J. Subramanian jointly with L&T IDPL	1	0	1	0
	As on March 31, 2019	1	0	1	0

(v) Shareholding of Directors and Key Managerial Personnel:

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. 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
2.	**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
3.	**Mr.R.G.Ramachandran**				
	As on April 1, 2018	2	0	2	0
	No change in Shareholding during the year	–	–	–	–
	As on March 31, 2019	2	0	2	0

V. INDEBTEDNESS

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

(₹ in crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year			
i) Principal Amount	1495.19		1495.19
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	134.16		134.16
Total (i+ii+iii)	**1629.35**	**-**	**1629.35**
Change in Indebtedness during the financial year			
Addition	-		-
Reduction	31.63	-	31.63
Net Change	**31.63**	**-**	**31.63**
Indebtedness at the end of the financial year			
i) Principal Amount	1468.60		1468.60
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	129.13		129.13
Total (i+ii+iii)	**1597.72**	**-**	**1597.72**

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	Name of MD/WTD/ Manager	Total Amount
		Manager: Mr.Ojes Cheriyan Madappattu	
1.	Gross salary	20,47,875	20,47,875
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(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		
	- Others, specify…	-	-
5.	Others, please specify	-	-
	Total (A)	**20,47,875**	**20,47,875**
	Ceiling as per the Act	**6,48,16,084**	

B. Remuneration to other directors:

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of Directors		Total Amount
1.	**Independent Directors**	**Mr. Koshy Varghese**	**Ms.Samyuktha Surendran**	
	Fee for attending Board Meeting	75,000	75,000	1,50,000
	Fee for attending Committee Meeting	60,000	40,000	1,00,000
	Commission	-	-	-
	Others	-	-	-
	Total (1)	**1,35,000**	**1,15,000**	**2,50,000**
2.	Other Non – Executive Directors	**Nil**	**Nil**	**Nil**
	1. Mr. Karthikeyan T.V.	-	-	-
	2. Mr. P. G. Suresh Kumar	-	-	-
	No Fee for attending Board/	-	-	-
	Committee Meeting was paid	-	-	-
	No Commission	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	**1,35,000**	**1,15,000**	**2,50,000**
	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.R.Swathi, Chief Financial Officer and Mr.R.G.Ramachandran, Company Secretary was employed by the Holding Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

	KARTHIKEYAN TV	**P. G. SURESH KUMAR**
Place: Chennai	*Director*	*Director*
Date: 22.04.2019	*DIN : 01367727*	*DIN : 07124883*

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF M/S. KUDGI TRANSMISSION LIMITED

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

OPINION

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 (''the Act'') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (''Ind AS'') prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit, 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 Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no Key Audit Matters to communicate in our report.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 'F' to the Standalone Ind AS financial statements;

   ii) The Company did not have any long-term contracts including derivative contracts for which there any material foreseeable losses.

   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

S.POOSAIDURAI
Partner
Chartered Accountants
Membership No. 223754

Date: April 22, 2019
Place: Chennai

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

1. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

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

   c) The title deeds of immovable properties are held in the name of the Company.

2. The Company is engaged in the business of infrastructure development and maintenance and hence clause 3 (ii) of the Companies (Auditor's Report) Order 2016 relating to inventory is not applicable.

3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

4. According to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 are complied with in respect of loans, investments, guarantees and securities given by the Company, if any.

5. The Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.

6. The Company is maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act in respect of services carried out by the Company.

7. a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.

   b) According to the information and explanation given to us, there are no dues of income tax, goods and services Tax, duty of customs, duty of excise, cess and any other statutory dues which have not been deposited on account of dispute.

8. The Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders, if any.

9. The Company has not taken any term loans or raised any money by way of initial public offer or further Public offer during the year.

10. Based on the information and explanation given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

11. According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act 2013.

12. The Company is not a Nidhi Company and hence clause 3 (xii) of the Companies (Auditor's Report) Order 2016 is not applicable.

13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

S.POOSAIDURAI
Partner
Chartered Accountants
Membership No. 223754

Date: April 22, 2019
Place: Chennai

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **Kudgi Transmission Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

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

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

S.POOSAIDURAI
Partner
Chartered Accountants
Membership No. 223754

Date: April 22, 2019
Place: Chennai

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(a)	39,796,899	39,231,332
b) Capital work-in-progress	1(b)	26,603,208	391,952
c) Financial Assets			
i) Loans	2	385,400	385,400
ii) Other financial assets	3	15,646,679,177	15,667,185,873
d) Other non-current assets	4	393,056	644,259
	A	15,713,857,740	15,707,838,816
Current assets			
a) Financial Assets			
i) Investments	5	2,770,926,102	2,546,997,424
ii) Cash and bank balances	6	26,629,797	36,992,988
iii) Other bank balance other than (ii)	6(a)	1,017,277,533	1,117,819,753
b) Other current assets	4	16,539,104	5,076,209
	B	3,831,372,536	3,706,886,374
TOTAL	A+B	19,545,230,276	19,414,725,190
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	7	1,926,000,000	1,926,000,000
b) Other Equity	8	1,570,641,785	1,133,857,227
	C	3,496,641,785	3,059,857,227
LIABILITIES			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	9	14,365,970,568	14,721,918,724
b) Provisions	10	248,102	-
c) Other non-current liabilities	11	315,364	-
	D	14,366,534,034	14,721,918,724
Current liabilities			
a) Financial liabilities			
i) Trade payables	12	48,374,320	35,974,709
ii) Other financial liabilities	13	1,611,583,131	1,571,576,553
b) Other current liabilities	11	16,123,781	14,894,822
c) Provisions	10	113,387	-
d) Current tax liabilities (net)	14	5,859,838	10,503,155
	E	1,682,054,457	1,632,949,239
Total Equity and Liabilities	C+D+E	19,545,230,276	19,414,725,190
CONTINGENT LIABILITIES	F		
COMMITMENTS	G		
OTHER NOTES FORMING PART OF ACCOUNTS	H		
SIGNIFICANT ACCOUNTING POLICIES	I		

As per our report attached

FOR M. K. DANDEKER & CO.
Chartered Accountants
(Firm Reg.No.000679S)
by the hand of

For and on behalf of the Board

S. POOSAIDURAI
Partner
Membership No.: 223754

Company Secretary

Chief Financial Officer

Director
PGSK
DIN: 07124883

Director
KTV
DIN: 01367727

Place: Chennai
Date: April 22, 2019

Place: Chennai
Date: April 22, 2019

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

Particulars	Note	2018-19 ₹	2018-19 ₹	2017-18 ₹	2017-18 ₹
REVENUE					
Revenue from Operations	**15**		**1,954,508,033**		*1,912,418,896*
Other income	**16**		**233,996,387**		*179,773,201*
Total Income			**2,188,504,420**		*2,092,192,097*
EXPENSES					
Operating expenses	**17**		**170,314,041**		*122,779,234*
Employee benefits expense	**18**		**9,589,240**		*10,767,589*
Finance costs	**19**		**1,381,419,576**		*1,438,742,812*
Depreciation and amortisation expense	**1(a)**		**74,697**		-
Other expenses	**20**		**37,678,298**		*38,530,042*
Total Expenses			**1,599,075,852**		*1,610,819,677*
Profit/(loss) before exceptional items and tax			**589,428,568**		*481,372,420*
Exceptional items			-		-
Profit/(loss) before tax			**589,428,568**		*481,372,420*
Tax Expense:					
Current tax		**152,468,253**		*128,028,078*	
			152,468,253		*128,028,078*
Profit/(loss) after tax for the year			**436,960,315**		*353,344,342*
Other Comprehensive Income					
i) Items that will not be reclassified to profit or (loss) (net of tax)			**(175,757)**		*230,850*
ii) Items that will be reclassified to profit or loss (net of tax)					
Total Comprehensive Income for the year			**436,784,558**		*353,575,192*
Earnings per equity share (Basic and Diluted)	**H(9)**		**2.27**		*1.83*
Face value per equity share			**10.00**		*10.00*

As per our report attached

FOR M. K. DANDEKER & CO.
Chartered Accountants
(Firm Reg.No.000679S)
by the hand of

For and on behalf of the Board

S. POOSAIDURAI
Partner
Membership No.: 223754

Company Secretary

Chief Financial Officer

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PGSK
DIN: 07124883

Director
KTV
DIN: 01367727

Place: Chennai
Date: April 22, 2019

Place: Chennai
Date: April 22, 2019

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

Equity Share Capital

Balance as at April 01, 2018		**Changes in equity share capital during the year**		**Balance as at March 31, 2019**	
No of shares	₹	**No of shares**	₹	**No of shares**	₹
192,600,000	*1,926,000,000*	-	-	**192,600,000**	**1,926,000,000**

Other Equity as at March 31, 2019

Particulars	**Reserves & Surplus**		**Total**
	Debenture Redemption Reserve	**Retained earnings**	
Balance at the beginning of the year	**563,607,719**	**570,249,508**	**1,133,857,227**
Total profit for the year	**-**	**436,960,315**	**436,960,315**
Comprehensive income for the year		**(175,757)**	**(175,757)**
Transfer from / (to) debenture redemption reserve	**436,960,315**	**(436,960,315)**	**-**
Balance at the end of the reporting period	**1,000,568,034**	**570,073,751**	**1,570,641,785**

Other Equity as at March 31, 2018

Particulars	*Reserves & Surplus*		*Total*
	Debenture Redemption Reserve	*Retained earnings*	
Balance at the beginning of the year	*210,263,377*	*570,018,658*	*780,282,035*
Total profit for the year	-	*353,344,342*	*353,344,342*
Comprehensive income for the year		*230,850*	*230,850*
Transfer from / (to) debenture redemption reserve	*353,344,342*	*(353,344,342)*	-
Balance at the end of the reporting period	*563,607,719*	*570,249,508*	*1,133,857,227*

As per our report attached

FOR M. K. DANDEKER & CO.
Chartered Accountants
(Firm Reg.No.000679S)
by the hand of

For and on behalf of the Board

S. POOSAIDURAI
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Membership No.: 223754

Company Secretary

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PGSK
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Director
KTV
DIN: 01367727

Place: Chennai
Date: April 22, 2019

Place: Chennai
Date: April 22, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

S. No.	Particulars	2018-19 ₹	2017-18 ₹
A	**Net profit / (loss) before tax**	**589,252,811**	*481,603,270*
	Adjustments for		
	Interest expense	**1,381,419,576**	*1,438,742,812*
	Interest income from banks	**-**	-
	Depreciation and amortisation expense	**74,697**	-
	Short term Capital Gain	**(91,808,331)**	*(115,419,554)*
	Other Income	**-**	*(47,574)*
	(Profit) / loss on financial instruments designated at FVTPL	**(23,751,329)**	*(44,345,430)*
	Loss on sale of miscellaneous assets	**(15,688)**	*14,277*
	Operating profit before working capital changes	**1,836,663,029**	*1,760,547,801*
	Adjustments for:		
	Increase / (decrease) in long term provisions	**248,102**	*(255,355)*
	Increase / (decrease) in trade payables	**12,399,611**	*(1,107,545,740)*
	Increase / (decrease) in other current liabilities	**1,228,959**	*(203,887,433)*
	Increase / (decrease) in short term provisions	**113,387**	*(314,192)*
	(Increase) / decrease in other non-current assets	**251,203**	*(644,259)*
	(Increase) / decrease in other financial assets	**20,506,696**	*253,401,031*
	(Increase) / decrease in other current assets	**(11,462,895)**	*(3,055,596)*
	Net cash generated from/(used in) operating activities	**1,859,948,092**	*698,246,257*
	Direct taxes paid (net of refunds)	**(157,111,570)**	*(175,430,605)*
	Net Cash(used in)/generated from Operating Activities	**1,702,836,522**	*522,815,652*
B	**Cash flow from investing activities**		
	Purchase of fixed assets	**(26,851,520)**	*(29,922,784)*
	Sale of miscellaneous assets	**29,000**	*3,997,283*
	Redemption / (Investment) in Fixed deposits	**100,542,220**	*(1,117,819,753)*
	(Purchase)/Sale of current investments (net)	**(108,369,018)**	*(2,387,184,866)*
	Interest received	**17,277,533**	-
	Net cash (used in)/generated from investing activities	**(17,371,785)**	*(3,530,930,120)*
C	**Cash flow from financing activities**		
	Proceeds/(repayment) of short term borrowings (net)	**-**	*(372,313,951)*
	Proceeds from long term borrowings	**1,280,000,000**	-
	Repayment of long term borrowings	**(1,514,000,000)**	*(10,082,864,412)*
	Interest paid	**(1,461,827,927)**	*(263,885,372)*
	Net cash (used in)/generated from financing activities	**(1,695,827,927)**	*(10,719,063,735)*
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(10,363,190)**	*(13,727,178,203)*
	Cash and cash equivalents as at the beginning of the year	**36,992,988**	*13,764,171,191*
	Cash and cash equivalents as at the end of the year	**26,629,797**	36,992,988

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

S. No.	Particulars	2018-19	2017-18
1	**Balance with banks**		
	- in current account for operating activities	*26,629,797*	*36,992,988*
		26,629,797	*36,992,988*

As per our report attached

FOR M. K. DANDEKER & CO.
Chartered Accountants
(Firm Reg.No.000679S)
by the hand of

For and on behalf of the Board

S. POOSAIDURAI
Partner
Membership No.: 223754

Company Secretary

Chief Financial Officer

Director
PGSK
DIN: 07124883

Director
KTV
DIN: 01367727

Place: Chennai
Date: April 22, 2019

Place: Chennai
Date: April 22, 2019

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note: 1(a)- 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 at March 31, 2018*
Owned										
Land (Gujarat) *	*1,263,000*	-	-	**1,263,000**	-	-	-	**-**	**1,263,000**	*1,263,000*
Land (Karnataka)	*37,968,332*	-	-	**37,968,332**	-	-	-	**-**	**37,968,332**	*37,968,332*
Vehicles	-	640264	-	**640,264**	-	74,697	-	**74,697**	**565,567**	-
Total	*39,231,332*	640,264	-	**39,871,596**	-	74,697	-	**74,697**	**39,796,899**	*39,231,332*
Previous year	**-**	*39,231,332*	-	***39,231,332***	-	-	-	**-**	***39,231,332***	**-**

*** Land in the state of Gujarat is Mortgage for the Debentures.**

Note: 1(b)- CAPITAL WORK-IN-PROGRESS

Particulars	*As at April 01, 2018*	Additions	Capitalised During the year	**As at March 31, 2019**
Capital Work in Progress	*391,952*	26,211,256	-	**26,603,208**
Total	*391,952*	26,211,256	-	**26,603,208**
Previous year	-	391,952	-	**391,952**

2 LOANS

Particulars	**March 31, 2019**			*March 31, 2018*		
	Current ₹	**Non-current ₹**	**Total ₹**	*Current ₹*	*Non-current ₹*	*Total ₹*
a) Security deposits						
Unsecured, considered good	**-**	**385,400**	**385,400**	-	*385,400*	*385,400*
	-	**385,400**	**385,400**	-	*385,400*	*385,400*

3 OTHER FINANCIAL ASSETS

Lease receivables	**-**	**15,646,679,177**	**15,646,679,177**	-	*15,667,185,873*	*15,667,185,873*
	-	**15,646,679,177**	**15,646,679,177**	-	*15,667,185,873*	*15,667,185,873*

4 OTHER NON-CURRENT AND CURRENT ASSETS

Advances other than capital advances						
Gratuity Plan Asset	**25,705**	**393,056**	**418,761**	*65,236*	*466,302*	*531,538*
Leave Encashment Plan Asset	**-**	**-**	**-**	*61,061*	*177,957*	*239,018*
Advance recoverable other than in cash						
Prepaid Insurance	**16,513,399**	**-**	**16,513,399**	*4,949,912*	-	*4,949,912*
	16,539,104	**393,056**	**16,932,160**	*5,076,209*	*644,259*	*5,720,468*

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

5 INVESTMENTS

Particulars	March 31, 2019 Quantity Units	March 31, 2019 Current ₹	*March 31, 2018 Quantity Units*	*March 31, 2018 Current ₹*
Investments at fair value through Profit and loss				
Quoted				
Investments in mutual funds	**2,543,358**	**2,770,926,102**	*2,440,200*	*2,546,997,424*
	2,543,358	**2,770,926,102**	*2,440,200*	*2,546,997,424*

Other Particulars in respect of investments

Particulars	Units as at March 31, 2019	Value as at March 31, 2019	*Units as at March 31, 2018*	*Value as at March 31, 2018*
	Nos.	₹	*Nos.*	₹
Book Value				
HDFC Liquid Fund - Growth	**143,887**	**526,670,615**	*62,116*	*211,851,648*
ICICI Prudential Liquid - Reg - Growth	**1,806,469**	**497,535,372**	*1,676,640*	*429,870,740*
IDFC Cash Fund - Reg - Growth	**141,843**	**320,203,612**	*154,392*	*324,750,595*
Invesco India Liquid Fund - Growth Plan	**25,456**	**65,209,453**	*44,840*	*106,885,360*
Kotak Liquid Scheme - Reg - Growth	**95,540**	**360,442,492**	*119,976*	*421,461,085*
L&T Liquid Fund - Growth	**86,256**	**220,265,941**	*49,053*	*116,540,742*
LIC MF Liquid Fund - Growth	**-**	**-**	*16,050*	*50,329,338*
Tata Liquid Fund - Reg - Growth	**13,140**	**38,508,182**	*130,479*	*355,807,621*
UTI-Liquid Cash Plan - IP - Growth	**63,835**	**194,691,097**	*186,655*	*529,500,294*
SBI Mutual Fund	**1,29,605**	**377,967,842**	-	-
Reliance Mutual fund	**37,326**	**169,431,494**	-	-
	2,543,358	**2,770,926,102**	*2,440,200*	*2,546,997,424*
Aggregate amount of quoted investments		**2,770,926,102**		*2,546,997,424*
Aggregate amount of market value of above		**2,770,926,102**		*2,546,997,424*

6 CASH AND BANK BALANCES

Particulars	March 31, 2019	*March 31, 2018*
	₹	₹
Balances with banks	**26,629,797**	*36,992,988*
	26,629,797	*36,992,988*

6(a) OTHER BANK BALANCE

Fixed deposits with banks including interest accrued thereon	**1,017,277,533**	*1,117,819,753*
	1,017,277,533	

1,117,819,753

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

7 EQUITY 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	**195,000,000**	**1,950,000,000**	*195,000,000*	*1,950,000,000*
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	**192,600,000**	**1,926,000,000**	*192,600,000*	*1,926,000,000*

(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	**192,600,000**	**1,926,000,000**	*192,600,000*	*1,926,000,000*
Issued during the year as fully paid	-	-	-	-
At the end of the year	**192,600,000**	**1,926,000,000**	*192,600,000*	*1,926,000,000*

(iii) Terms / rights attached to shares

Equity shares

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

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

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

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

No Dividend is declared by the Board of Directors for the year ended March 31, 2018

(iv) Details of Shares held by Holding 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)	**192,599,998**	**1,925,999,980**	*192,599,998*	*1,925,999,980*
	192,599,998	**1,925,999,980**	*192,599,998*	*1,925,999,980*

(v) 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	**192,599,998**	**99.99%**	*192,599,998*	*99.99%*

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

(vii) Calls unpaid : Nil; Forfeited Shares : Nil

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

8 OTHER EQUITY AS AT MARCH 31, 2019

Particulars	**Reserves & Surplus**		
	Debenture Redemption Reserve	**Retained earnings**	**Total**
Balance at the beginning of the year	**563,607,719**	**570,249,508**	**1,133,857,227**
Total profit for the year	**-**	**436,960,315**	**436,960,315**
Comprehensive income for the year		**(175,757)**	**(175,757)**
Transfer from / (to) debenture redemption reserve	**436,960,315**	**(436,960,315)**	**-**
Balance at the end of the reporting period	**1,000,568,034**	**570,073,751**	**1,570,641,785**

OTHER EQUITY AS AT MARCH 31, 2018

Particulars	*Reserves & Surplus*		
	Debenture Redemption Reserve	*Retained earnings*	*Total*
Balance at the beginning of the year	*210,263,377*	*570,018,658*	*780,282,035*
Total profit for the year	-	*353,344,342*	*353,344,342*
Comprehensive income for the year		*230,850*	*230,850*
Transfer from / (to) debenture redemption reserve	*353,344,342*	*(353,344,342)*	-
Balance at the end of the reporting period	*563,607,719*	*570,249,508*	*1,133,857,227*

9 BORROWINGS

Particulars	**As at March 31, 2019**			*As at March 31, 2018*		
	Current ₹	**Non-current** ₹	**Total** ₹	*Current* ₹	*Non-current* ₹	*Total* ₹
Secured borrowings						
a) Non convertible debentures [Refer note 9(a)]	–	**14,365,970,568**	**14,365,970,568**	**–**	*14,721,918,724*	*14,721,918,724*
	–	**14,365,970,568**	**14,365,970,568**	**–**	*14,721,918,724*	*14,721,918,724*

Note 9(a) :

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

Details of long term borrowings

(i) 15,000 nos of debentures of face value ₹ 10,00,000 each redeemable at par on private placement basis, out of which 13,000 nos of debentures @ ₹ 10,00,000 per Debenture amounting to ₹ 1300,00,00,000/- and 2,000 nos of Debentures @ ₹ 3,60,000 per debenture amounting to ₹ 72,00,00,000 has been partly received on March 31, 2017. Further 2000 nos of debentures @ 6,40,000 per debenture has been received on May 25, 2018 amounting to ₹ 1,28,00,00,000/-.

(ii) Holder of Debenture - I which is having original redemption date June 01, 2033 has exercised put option as per debenture agreement and has been fully repaid on June 01, 2018 amounting to ₹ 128,40,00,000/-.

Particulars	Effective interest rate	Terms of repayment			
		Series	Amount in ₹	Rate of Interest	Redemption Date
Debentures - I	9.50%	Non Convertible Debentures I	1,284,000,000	9.50%	01-Jun-33
Debentures - II	8.99%	Non Convertible Debentures II - Series “W” of 2016-17	1,040,000,000	9.50%	25-Apr-40
		Non Convertible Debentures II - Series “V” of 2016-17	960,000,000	9.50%	25-Apr-39
		Non Convertible Debentures II - Series “U” of 2016-17	900,000,000	9.50%	25-Apr-38
		Non Convertible Debentures II - Series “T” of 2016-17	1,060,000,000	9.50%	25-Apr-37
		Non Convertible Debentures II - Series “S” of 2016-17	1,010,000,000	9.50%	25-Apr-36
		Non Convertible Debentures II - Series “R” of 2016-17	930,000,000	9.50%	25-Apr-35
		Non Convertible Debentures II - Series “Q” of 2016-17	870,000,000	9.50%	25-Apr-34
		Non Convertible Debentures II - Series “P” of 2016-17	800,000,000	9.50%	25-Apr-33
		Non Convertible Debentures II - Series “O’” of 2016-17	750,000,000	9,14%	25-Apr-32
		Non Convertible Debentures II - Series “N’” of 2016-17	720,000,000	9,14%	25-Apr-31
		Non Convertible Debentures II - Series “M’” of 2016-17	670,000,000	9,14%	25-Apr-30
		Non Convertible Debentures II - Series “L’” of 2016-17	630,000,000	9,14%	25-Apr-29
		Non Convertible Debentures II - Series “K’” of 2016-17	590,000,000	9,14%	25-Apr-28
		Non Convertible Debentures II - Series “J” of 2016-17	550,000,000	8.80%	25-Apr-27
		Non Convertible Debentures II - Series “I” of 2016-17	520,000,000	8.80%	25-Apr-26
		Non Convertible Debentures II - Series “H” of 2016-17	480,000,000	8.80%	25-Apr-25
		Non Convertible Debentures II - Series “G” of 2016-17	450,000,000	8.80%	25-Apr-24
		Non Convertible Debentures II - Series “F” of 2016-17	400,000,000	8.80%	25-Apr-23
		Non Convertible Debentures II - Series “E” of 2016-17	400,000,000	8.50%	25-Apr-22
		Non Convertible Debentures II - Series “D” of 2016-17	360,000,000	8.50%	25-Apr-21
		Non Convertible Debentures II - Series “C” of 2016-17	360,000,000	8.25%	25-Apr-20
		Non Convertible Debentures II - Series “B” of 2016-17	320,000,000	8.25%	25-Apr-19
		Non Convertible Debentures II - Series “A” of 2016-17	230,000,000	8.25%	25-Apr-18

Nature of Security

(i) First ranking pari passu charge/ hypothecation on the movable assets of the Issuer, i.e. movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles, present and future, intangible, goodwill, intellectual property, present and future, in favour of the Debenture Trustee;

(ii) First ranking pari passu charge/ mortgage on:

(a) All the rights, title, interest, benefits, claims and demands whatsoever of the Issuer in the Project Documents and operation and maintenance related agreements which the Issuer is party to, contractor guarantees, liquidated damages and all other contracts relating to the project, duly acknowledged consented by the relevant counter parties to such Project Documents;

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(b) All the rights, title, interest, benefits, claims and demands whatsoever of the Issuer in the clearances pertaining to the Project, both present and future;

(c) All the rights, title, interest, benefits, claims and demands whatsoever of the Issuer in letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Documents; and

(d) The insurance proceeds,

(e) All bank account(s) of the Issuer, including without limitation the Escrow Account ("Transaction Accounts") and the monies lying to the credit thereof, from time to time;

(f) all book debts, receivables, commissions, revenues of whatsoever nature and wherever arising, of the Issuer, present and future

(iii) First ranking pari passu mortgage on the immovable property of the Issuer, present and future, provided that land admeasuring 1732 sq ft bearing plot number 64 situated at Sri Sai Gardens comprised in Sy. Nos 21/1 and 21/2A situated at Serkadu Road, No. 86, Walajabad Village, Kancheepuram Taluk, Kancheepuram District shall not be mortgaged and may be sold by the Issuer.

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

Particulars	**As at March 31, 2019**	*As at March 31, 2018*
Long term borrowings [Refer note 9]	**14,365,970,568**	*14,721,918,724*

Break up of other financial liabilities

Particulars	**As at March 31, 2019**	*As at March 31, 2018*
Interest accrued but not due on debentures [Refer note 13]	**1,291,251,005**	*1,341,576,553*
Current maturity of long term borrowings [Refer note 13]	**320,000,000**	*230,000,000*

10 PROVISIONS

Particulars	**At at March 31, 2019**			*As at March 31, 2018*		
	Current	**Non-current**	**Total**	*Current*	*Non-current*	*Total*
	₹	₹	₹	₹	₹	₹
Provision for employee benefits						
- Leave Encashment	**113,387**	**30,914**	**144,301**	-	-	-
Provisions for Retention pay scheme	**-**	**217,188**	**217,188**	-	-	-
	113,387	**248,102**	**361,489**	-	-	-

11 OTHER NON CURRENT AND CURRENT LIABILITIES

Particulars	**At at March 31, 2019**			*As at March 31, 2018*		
	Current	**Non-current**	**Total**	*Current*	*Non-current*	*Total*
	₹	₹	₹	₹	₹	₹
i) Company owned car scheme	**-**	**315,364**	**315,364**	-	-	-
ii) Liability for expenses	**11,179,541**	**-**	**11,179,541**	*12,716,920*	-	*12,716,920*
iii) Statutory payables	**4,944,240**	**-**	**4,944,240**	*2,177,902*	-	*2,177,902*
	16,123,781	**315,364**	**16,439,145**	*14,894,822*	-	*14,894,822*

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

12 TRADE PAYABLES

Particulars	As at March 31, 2019	*As at March 31, 2018*
	₹	₹
Due to Micro Small and Medium enterprise	**12,865,446**	*4,183,886*
Due to related parties	**21,326,708**	*26,181,081*
Due to others	**14,182,166**	*5,609,742*
	48,374,320	*35,974,709*

13 OTHER FINANCIAL LIABILITIES

Particulars	At at March 31, 2019			*As at March 31, 2018*		
	Current	Non-current	Total	*Current*	*Non-current*	*Total*
	₹	₹	₹	₹	₹	₹
a) Deposits received	**332,126**	**-**	**332,126**	-	-	-
b) Interest accrued	**1,291,251,005**	**-**	**1,291,251,005**	*1,341,576,553*	-	*1,341,576,553*
c) Other financial liabilities [Refer note 9(a)]	**320,000,000**	**-**	**320,000,000**	*230,000,000*	-	*230,000,000*
	1,611,583,131	**-**	**1,611,583,131**	*1,571,576,553*	-	*1,571,576,553*

14 CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2019	*As at March 31, 2018*
	₹	₹
Liabilities for current tax (net)	**368,113,958**	*217,177,982*
Less: Tax Deducted at Source / Advance tax paid	**(362,254,120)**	*(206,674,827)*
	5,859,838	*10,503,155*

F Contingent Liabilities

Contingent Liabilities as at March 31, 2019 ₹ Nil (Previous year: ₹ Nil)

G Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 1,56,13,745/- (Previous year: ₹ 2,62,11,256/-)

15 REVENUE FROM OPERATIONS

Particulars	2018-19		*2017-18*	
	₹	₹	₹	₹
Other operating revenue:				
Finance Income		**1,792,699,000**		*1,743,917,030*
Revenue towards operation and Maintenance		**161,809,033**		*168,501,866*
		1,954,508,033		*1,912,418,896*

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

		2018-19		*2017-18*	
		₹	₹	₹	₹
16	**OTHER INCOME**				
	Particulars				
	Interest income from:				
	Bank deposits		**99,912,332**		*19,960,643*
	Net gain/(loss) on financial instruments designated at FVTPL		**23,751,329**		*44,345,430*
	Short Term capital Gain		**91,808,331**		*115,419,554*
	Profit/(loss) on disposal of miscellaneous assets		**15,688**		-
	Other Income		**18,508,707**		*47,574*
			233,996,387		*179,773,201*
17	**OPERATING EXPENSES**				
	Tower Restoration Cost	**85,519,912**			-
	(-) Insurance Claim Received	**49,981,850**	**35,538,062**		-
	Security services		**1,040,683**		*979,261*
	Insurance		**20,189,944**		*10,676,998*
	Operation and maintenance				
	Transmission Lines		**97,263,244**		*97,241,409*
	Repairs -Plant & Machinery		**3,701,364**		*1,074,867*
	Payment of rebate as per Transmission Service agreement		**12,580,744**		*12,806,699*
			170,314,041		*122,779,234*
18	**EMPLOYEE BENEFIT EXPENSES**				
	Salaries, wages and bonus		**7,272,540**		*9,325,084*
	Contributions to and provisions for:				
	Provident fund [Refer note H(3)]	**344,880**		*433,667*	
	Gratuity	**76,241**		*43,595*	
	Compensated absences	**187,921**		*103,444*	
	Retention pay	**217,188**		-	
			826,230		*580,706*
	Staff welfare expenses		**1,490,470**		*861,799*
			9,589,240		*10,767,589*
19	**FINANCE COSTS**				
	Interest on				
	- Unsecured Loan		**-**		*157,588*
	- Term Loan		**-**		*8,770,841*
	- Redeemable non-convertible fixed rate debentures		**1,361,741,534**		*1,377,573,184*
	- others		**-**		*24,976,754*
	Other borrowing cost		**4,176,044**		*4,186,664*
	Unwinding of discount and implicit interest expense on fair value		**15,501,998**		*23,077,781*
			1,381,419,576		*1,438,742,812*
20	**OTHER EXPENSES**				
	Rent, Rates and taxes		**3,198,398**		*3,732,422*
	Professional fees		**21,763,631**		*28,827,577*
	Director's fees		**322,200**		*324,300*
	Payments to auditor [Refer Note 20(a)]		**620,919**		*374,328*
	Postage and communication		**333,015**		*464,227*
	Printing and stationery		**3,160,176**		*23,817*

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

Particulars	2018-19		2017-18	
	₹	₹	₹	₹
Power & Fuel		**56,944**		*66,713*
Travelling and conveyance		**2,299,718**		*2,405,779*
Bank Charges		**825,876**		*266,935*
Insurance Expenses		**2,051**		*76,035*
Repairs and Maintenance - Others		**1,931,264**		*855,914*
Loss on sale of Fixed Assets		**-**		*14,277*
Corporate Social Responsibility [Refer Note 20(b)]		**2,957,606**		*-*
Miscellaneous expenses		**206,500**		*1,097,718*
		37,678,298		*38,530,042*

Note 20(a): Payments to auditor (including GST) as follows:

Particulars	2018-19	2017-18
	₹	₹
a) As auditor	**259,600**	*138,000*
b) For taxation matters	**59,000**	*59,000*
c) For other certification	**266,959**	*169,078*
d) For Reimbursement of Expenses	**35,360**	*8,250*
Total	**620,919**	*374,328*

Note 20(b) Details of Corporate social responsibility expenditure

(i) The amount required to be spent by the company on Corporate Social Responsibility (CSR) related activities during the year is ₹ 51,67,824 (previous year ₹ 18,93,770/-)

(ii) The details of amount recognized as expense in the Statement of Profit or Loss under Note No. 20 above on CSR related activites is follows:

a) Amount spent during the year ending on March 31, 2019:	
i) Construction/acquisition of any asset	**2,957,606**
ii) On purposes other than (i) above	**-**
b) Amount spent during the year ending on March 31, 2018:	
i) Construction/acquisition of any asset	-
ii) On purposes other than (i) above	-

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 Reclassified to Statement of profit and loss (net of tax)	(175,757)	-	(175,757)

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

During the year ended March 31, 2018

Particulars	Retained earnings	Other reserves (specify nature)	Total
	₹	₹	₹
Remeasurement gains/(losses) on defined benefit plans			
Not Reclassified to Statement of profit and loss (net of tax)	230,850	-	230,850

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

H) NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1 Corporate Information

Kudgi Transmission Limited was incorporated on November 27, 2012 under the Companies Act 1956 as a wholly owned subsidiary of M/s. REC Transmission Projects Company Limited (RECTPCL) as a Special Purpose Vehicle company to develop transmission system (Project) required for evacuation of power from NTPC Kudgi TPS (3X800 MW in Phase-I). The certificate of commencement of business was issued on January 11, 2013. M/s.RECTPCL has floated a bid on Build Own Operate and Maintain (BOOM) basis for selection of Transmission Service Provider for the above said project and M/s. L&T Infrastructure Development Projects Limited (L&TIDPL) was the successful bidder. Accordingly, the Company was acquired by L&TIDPL from REC TPCL on August 30, 2013 (effective date). The project is for 35 years from the Scheduled Commercial Operation Date,which is 18 months for first transmission element (Kudgi TPS to Narendra (new) 400 kV 2xD/C) and 28 months for second transmission element (Narendra (new) to Madhugiri 765 kV D/C and Madhugiri to Bidadi 400 kV D/C) from effective date as per the Transmission Service Agreement dated 14th May 2013 entered into with potential Long Term Transmission Customer(s). The Company commenced operations of project on September 24, 2016.

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

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

(i) Defined contribution plan:

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

An amount of ₹ 3,44,880 (previous year : ₹ 4,33,667) being contribution made to recognised provident fund is recognised as expense and included under Employee benefit expense in the Statement of Profit and loss (Note 18)

(ii) Defined benefit plans:

a) Characteristics of its defined benefit plans and risks associated with them :

Gratuity:

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

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

Leave Encashment:

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 days	
Benefit Formula	(Leave Days) × (Salary)/ (Leave Denominator)	
Leave Denominator	Employee	30
Leaves Credited Annually	Employee	33
Retirement Age	58 Years	

The company is responsible for governance of the plan.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

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	**500,472**	*196,726*	**588,565**	*170,739*
- Wholly unfunded	**-**	-	**-**	-
	500,472	*196,726*	**588,565**	*170,739*
Less : Fair value of plan assets	**919,233**	*728,264*	**444,264**	*409,757*
Net Liability / (asset)	**(418,761)**	*(531,538)*	**144,301**	*(239,018)*

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*
		₹	₹	₹	₹
1	Current service cost	**117,424**	*127,751*	**103,804**	*133,426*
2	Interest on Defined benefit obligation	**(41,183)**	*(21,528)*	**(19,677)**	*25,581*
3	Expected return on plan assets	**-**	-	**-**	-
4	Past service cost	**-**	-	**-**	
5	Actuarial (gain)/loss not recognised in books	**-**	-	**303,529**	*(337,589)*
Total (1 to 5)		**76,241**	*106,223*	**387,656**	*(178,582)*
I	Amount included in "employee benefit expenses"	**76,241**	*106,223*	**387,656**	*(178,582)*
II	Amount included as part of "finance costs"	**-**	-	**-**	-
Total (I + II)		**76,241**	*106,223*	**387,656**	*(178,582)*
Actual return on plan assets		**-**	-	**-**	-

d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof 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*
	₹	₹	₹	₹
Opening balance of the present value of defined benefit obligation	**196,726**	*503,605*	**170,739**	*569,549*
Add: Current service cost	**117,424**	*127,751*	**103,804**	*133,426*
Add: Interest cost	**14,342**	*34,784*	**11,693**	*38,014*
Add/(less): Actuarial losses/(gains)	**171,980**	*(295,421)*	**302,329**	*(343,489)*
Less: Benefits paid		*173,993*		*226,761*
Add: Past service cost	**-**	-	**-**	-
Closing balance of the present value of defined benefit obligation	**500,472**	*196,726*	**588,565**	*170,739*

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

e) The changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof 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*
	₹	₹	₹	₹
Opening balance of fair value of plan assets	**728,264**	*749,481*	**409,757**	-
Add: Expected return on plan assets	**55,525**	*56,312*	**31,370**	*12,433*
Add/(less): Return on plan assets excluding amounts included in interest income	**(3,777)**	*(1,943)*	**(1,200)**	*(5,630)*
Add/(less): Actuarial losses/(gains)	**-**	-	**-**	-
Add: Contribution by employer	**139,221**	*98,407*	**4,337**	*402,954*
Add: Contribution by plan participants	**-**	-	**-**	-
Less: Benefits paid		*173,993*	**-**	-
Closing balance of fair value of plan assets	**919,233**	*728,264*	**444,264**	*409,757*

f) Principal actuarial assumptions at the Balance Sheet date:

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

g) A quantitative sensitivity analysis for significant assumption as at March 31, 2019 and as at March 31, 2018

Particulars	Change in Assumptions	As at 31 March 2019		*As at 31 March 2018*	
		Impact on Defined Benefit Obligation (Gratuity)		*Impact on Defined Benefit Obligation (Gratuity)*	
	Increase/ (Decrease)	Increase/(Decrease) in Assumptions		*Increase/(Decrease) in Assumptions*	
	%	₹	%	₹	%
Discount Rate	**0.50%**	**480,350**	**-4.02%**	*188,350*	*-4.26%*
	-0.50%	**522,070**	**4.32%**	*205,671*	*4.55%*
Salary Growth Rate	**0.50%**	**522,205**	**4.34%**	*205,740*	*4.58%*
	-0.50%	**480,048**	**-4.08%**	*188,212*	*-4.33%*

h) 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%*

4 Disclosure pursuant to Ind AS 23 "Borrowing Costs"

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

5 Disclosure of segment information pursuant to Ind AS 108 “Operating Segments”

The Company is engaged in the business of construction, operation and maintenance of Transmission Lines on a Build Own Operate Maintain (BOOM) basis in a single business segment. Hence reporting of operating segments does not arise. The Company does not have operations outside India. Hence, disclosure of geographical segment information does not arise.

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

a) List of related parties

Ultimate Holding Company :	Larsen & Toubro Limited
Holding Company :	L&T Infrastructure Development Projects Limited
Fellow Subsidiaries :	L&T Chennai - Tada Tollway Limited Western Andhra Tollway Limited (upto May 04, 2018) Devihalli Hassan Tollways Limited (upto May 04, 2018) Krishanagiri Thoppur Tollways Limited (upto May 04, 2018) Krishnagiri Walajah Tollways Limited (upto May 04, 2018)
Key Managerial Personal :	Mr.Ojes Cheriyan Madappattu - Sr. Manager Mr. R.G. Ramachandran- Company Secretary Mr. Biswajit Senapati - CFO (upto April 18, 2018) Ms. Swathi R. - CFO (from April 20, 2018)

b) Disclosure of related party transactions:

	Particulars	2018-19	2017-18
		₹	₹
1	**Purchase of goods and services incl. taxes**		
	Ultimate Holding company		
	Larsen & Toubro Limited	**83,731,187**	**6,812,740**
	Holding company		
	L&T Infrastructure Development Projects Limited	**46,324,440**	**167,104,855**
		130,055,627	**173,917,595**
2	**Unsecured loan given to**		
	Fellow subsidiaries		
	Western Andhra Tollway Limited	**-**	**34,500,000**
	Devihalli Hassan Tollways Limited	**-**	**19,000,000**
	Krishanagiri Thoppur Tollways Limited	**-**	**22,000,000**
		-	**75,500,000**
3	**Interest on unsecured loan**		
	Holding company		
	L&T Infrastructure Development Projects Limited	**-**	**1,57,588**
		-	**1,57,588**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

Particulars		2018-19	2017-18
		₹	₹
4	**Reimbursement of expenses charged from**		
	Ultimate Holding company		
	Larsen & Toubro Limited	**1,072,549**	**2,095,249**
	Holding company		
	L&T Infrastructure Development Projects Limited	**189,809**	**2,562,781**
		1,262,358	**4,658,030**
5	**Reimbursement of expenses charged to**		
	Holding company		
	L&T Infrastructure Development Projects Limited	**-**	**83,546**
	Ultimate Holding Company		
	Larsen & Toubro Limited	**-**	**92,169**
		-	**175,715**
6	**Salary & Perquisites**		
	Mr. Ojes Cheriyan Madappattu	**2,047,875**	**1,717,020**
		2,047,875	**1,717,020**

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

Particulars	(Amount in ₹)	
	Amounts due to / (from)	
	As at March 31, 2019	*As at March 31, 2018*
Ultimate Holding Company		
Larsen & Toubro Limited	**13,774,437**	*6,720,569*
Holding Company		
L&T Infrastructure Development Projects Limited	**7,511,376**	*19,419,617*
Fellow Subsidiaries		
L&T Chennai Tada Tollways Limited	**40,895**	*40,895*

d) Terms and conditions of transactions with related parties :

"The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates."

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

f) Compensation of Key Management personnel of the company

Particulars	(Amount in ₹)	
	As at March 31, 2019	*As at March 31, 2018*
Short term employee benefits	**2,013,399**	*1,717,020*
Post employment gratuity and medical benefits	**34,476**	*31,342*
Other long term benefits	**217,188**	-

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

7 **Disclosure pursuant to Ind AS 12 "Income taxes"**

The major components of income tax expense for years ended March 31, 2019 and March 31, 2018 are:

Particulars	As at March 31, 2019	*As at March 31, 2018*
	₹	₹
Profit and loss section:		
Current tax :		
Current income tax charge	**152,468,253**	*128,028,078*
Adjustments of current tax of previous year	**-**	*-*
Deferred tax :		*-*
Relating to origination and reversal of temporary differences	**-**	*-*
Effect on deferred tax balances due to change in income tax rate	**-**	*-*
Income tax reported in the statement of profit and loss	**152,468,253**	*128,028,078*

Particulars	As at March 31, 2019	*As at March 31, 2018*
	₹	₹
Deferred tax		
Major components of deferred tax liabilities and assets		
Balance Sheet		
a) Financial Asset - Lease receivable	**(1,121,063,798)**	*(1,982,782,632)*
Profit and Loss		
a) Unabsorbed depreciation	**1,121,063,798**	*1,982,782,632*
Net deferred tax assets /(liabilities)	**-**	*-*

8 **Disclosure pursuant to Ind AS 17 - " Leases"**

The Company has not taken any asset on finance lease. The Company has taken office premises and transit house under cancellable operating leases. Lease rental paid ` 3,38,290 (Previous year is 3,22,730) in the statement of profit and loss.

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.

9 **Disclosure pursuant to Ind AS 33 "Earnings per share"**

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

Particulars		2018-19	*2017-18*
		₹	₹
Basic and Diluted earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	**436,960,315**	*353,344,342*
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	**192,600,000**	*192,600,000*
Basic and Diluted earnings per equity share (₹)	A / B	**2.27**	*1.83*
Face value per equity share (₹)		**10.00**	*10.00*

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

10 Disclosures pursuant to Ind AS 1 - “Presentation of Financial Statements”

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

11 Tower collapse and restoration

On the night of May 24, 2018, unprecedented storm like wind condition triggered collapse of 5 of the towers in a village called Bannigola in Hagaribommanahalli Taluk near Hospet. The collapsed towers are identified as 27/2, 27/3, 27/4, 27/5 and 27/6 in the Element 2 of the 765kV line.

Kudgi Transmission team also convinced the Central Electricity Authority (CEA) and the Southern Region Power Centre (SRPC) that the tower collapse is due to act of God which is due to natural calamity and thereby obtained the availability certificate which implies that there will not be any impact of revenue loss or any consequential penalties due to non-availability.

After 33 days, on June 26, 2018, the line was handed over to SRLDC (Southern Region Load Dispatch Centre) through a shutdown return protocol.

12 Few of the land owners claimed additional compensation relating to Rgiht of Way payment from the company and raised the dispute in the court. As of now the matter is under various stages of Judiciary hearing, company is confident that the verdict will be in favour of the company, hence the same is not provided for.

13 Financial Instruments

Disclosure of Financial Instruments by Category

Financial instruments by categories	Note no.	As at March 31, 2019			*As at March 31, 2018*		
		FVTPL	FVTOCI	Amortized cost	*FVTPL*	*FVTOCI*	*Amortized cost*
Financial asset							
Security Deposits	2	-	-	385,400	-	-	385,400
Investments	5	2,770,926,102	-	-	2,546,997,424	-	-
Lease receivable	3	-	-	16,663,956,710	-	-	16,785,005,626
Cash and cash equivalents	6	-	-	26,629,797	-	-	36,992,988
Total Financial Asset		2,770,926,102	-	16,690,971,907	2,546,997,424	-	16,822,384,014
Financial liability							
Non convertible debentures	9	-	-	14,365,970,568	-	-	14,721,918,724
Other Current Financial Liabilities	13	-	-	1,611,583,131	-	-	1,571,576,553
Trade Payables	12	-	-	48,374,320	-	-	35,974,709
Total Financial Liabilities		-	-	16,025,928,019	-	-	16,329,469,986

Default and breaches

There are no defaults with respect to payment of principal interest, sinking fund or redemption terms and no breaches of the terms and conditions of the debentures.

There are no breaches during the year which permitted debenture holder to demand accelerated payment.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

14 Fair value of Financial asset and liabilities at amortized cost

Particular	**Note no.**	**As at March 31, 2019**		*As at March 31, 2018*	
		Carrying amount	**Fair value**	*Carrying amount*	*Fair value*
Financial Assets					
Security Deposits	2	**385,400**	**385,400**	*385,400*	*385,400*
Lease receivable	3	**16,663,956,710**	**16,663,956,710**	*16,785,005,626*	*16,785,005,626*
Cash and cash equivalents	6	**26,629,797**	**26,629,797**	*36,992,988*	*36,992,988*
Total Financial Assets		**16,690,971,907**	**16,690,971,907**	*16,822,384,014*	*16,822,384,014*
Financial liability					
Non convertible debentures	9	**14,365,970,568**	**14,365,970,568**	*14,721,918,724*	*14,721,918,724*
Other Current Financial Liabilities	13	**1,611,583,131**	**1,611,583,131**	*1,571,576,553*	*1,571,576,553*
Trade Payables	12	**48,374,320**	**48,374,320**	*35,974,709*	*35,974,709*
Total Financial Liabilities		**16,025,928,019**	**16,025,928,019**	*16,329,469,986*	*16,329,469,986*

The carrying amount of current financial assets and current trade and other payables measured at amortized 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 non convertible debentures approximate fair value as the instruments are at prevailing market rate.

15 Fair Value Measurement
Fair Value Measurement of Financial asset and Financial liabilities

Fair value hierarchy					
As at March 31, 2019					
Financial Asset & Liabilities Measured at FV - Recurring fair value measurement	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial asset measured at FVTPL					
Investments in Mutual Funds	5	2,770,926,102	-	-	2,770,926,102
Total of Financial Assets		**2,770,926,102**	**-**	**-**	**2,770,926,102**
Financial Liabilities measured at FVTPL					
Loan from related parties	9	-	-	-	-
Total of Financial Liabilities		-	-	-	-
Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Security Deposits	2	-	-	385,400	385,400
Lease receivable	3	-	-	16,663,956,710	16,663,956,710
Cash and cash equivalents	6	-	-	26,629,797	26,629,797
Total of Financial Assets		**-**	**-**	**16,690,971,907**	**16,690,971,907**
Financial Liabilities					
Non convertible Debentures	9	-	14,365,970,568	-	14,365,970,568
Other Current Financial Liabilities	13	-	1,611,583,131	-	1,611,583,131
Trade Payables	12	-	-	48,374,320	48,374,320
Total Financial liabilities		**-**	**15,977,553,699**	**48,374,320**	**16,025,928,019**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

As at March 31, 2018					
Financial Asset & Liabilities Measured at FV - Recurring fair value measurement	*Note*	*Level 1*	*Level 2*	*Level 3*	*Total*
Financial asset measured at FVTPL					
Investments in Mutual Funds	*5*	*2,546,997,424*	*-*	*-*	*2,546,997,424*
Total of Financial Assets		*2,546,997,424*	*-*	*-*	*2,546,997,424*
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*	*Level 1*	*Level 2*	*Level 3*	*Total*
Financial Assets					
Security Deposits	*2*	*-*	*-*	*385,400*	*385,400*
Lease receivable	*3*	*-*	*-*	*16,785,005,626*	*16,785,005,626*
Cash and cash equivalents	*6*	*-*	*-*	*36,992,988*	*36,992,988*
Total Financial Assets		*-*	*-*	*16,822,384,014*	*16,822,384,014*
Financial Liabilities					
Non convertible Debentures	*9*	*-*	*14,721,918,724*	*-*	*14,721,918,724*
Loan from related parties	*8*	*-*	*-*	*-*	*-*
Other Current Financial Liabilities	*13*	*-*	*1,571,576,553*	*-*	*1,571,576,553*
Trade Payables	*12*	*-*	*-*	*35,974,709*	*35,974,709*
Total Financial Liabilities		*-*	*16,293,495,277*	*35,974,709*	*16,329,469,986*

There are no transfer between level 1 and level 2 during the year
The company policy is to recognize 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	Market Approach	Net asset value
Security deposit	Income approach	Cash Flows
Lease receivable	Income approach	Cash Flows
Financial liabilities		
Non convertible debentures	Income approach	Effective rate of borrowing
Other Current Financial Liabilities	Income approach	Effective rate of borrowing

16 Asset pledged as security

Particulars	**Note**	**As at March 31, 2019**	*As at March 31, 2018*
Financial Asset			
Lease receivable	3	**16,663,956,710**	*16,785,005,626*
Investments	5	**2,770,926,102**	*2,546,997,424*
Cash and Bank balances	6	**1,043,907,330**	*1,154,812,741*
TOTAL		**20,478,790,142**	*20,486,815,791*

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

17 **Financial Risk Management**

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

(i) 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.

(ii) 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.

(iii) 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, Non Convertible Debentures is at Fixed rate linked to Credit Rating of the project. Any changes shall have an impact on the rates.

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

Particulars	**As at March 31, 2019**	*As at March 31, 2018*
Term loan form Banks*	**-**	-

*Company don't have any borrowings at variable rate.

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 base point	**-**	-

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

(iv) Price risk

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

The company is exposed to price risk due to investments in mutual funds and classified as fair value through profit and loss.

The company measures risk through sensitivity analysis.

The company's risk management policy is to mitigate the risk by investments in diversified mutual funds.

The company's exposure to price risk due to investments in mutual fund is as follows:

Particulars	**Note No.**	**As at March 31, 2019**	*As at March 31, 2018*
Investments in Mutual Funds	5	**2,770,926,102**	*2,546,997,424*

Sensitivity Analysis

	Impact on profit/ loss after tax	
	FY 2018-19	*FY 2017-18*
Increase or decrease in NAV by 2%	**55,418,522**	*50,939,948*

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(v) Liquidity risk

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

The company is exposed to liquidity risk due to bank borrowings and trade and other payables.

The company measures risk by forecasting cash flows.

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

The following are the contractual maturities of financial liabilities

As at March 31, 2019	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Non convertible Debentures	14,685,970,568	320,000,000	360,000,000	1,160,000,000	12,845,970,568
Trade Payables	48,374,320	48,374,320	-	-	-
Derivative Financial Liability	**-**	**-**	**-**	**-**	**-**
As at March 31, 2018	**Carrying Amount**	**upto 1 year**	**1 - 2 years**	**2 - 5 years**	**> 5 years**
Non Derivative Financial Liability					
Non convertible Debentures	14,951,918,724	230,000,000	320,000,000	1,120,000,000	13,281,918,724
Trade Payables	35,974,709	35,974,709	-	-	-
Derivative Financial Liability	-	-	-	-	-

(vi) 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 is exposed to credit risk with regard to receipt of annuity income as per the transmission service agreement. In case of shortfall, the company shall go for working capital loan or promoter funding or any other form of temporary funding.

18 Previous year figures have been regrouped and reclassified wherever required.

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

i) Description and classification of the arrangement

Kudgi Transmission Limited was incorporated on November 27, 2012 under the Companies Act 1956 as a wholly owned subsidiary of M/s. REC Transmission Projects Company Limited (RECTPCL) as a Special Purpose Vehicle company to develop transmission system (Project) required for evacuation of power from NTPC Kudgi TPS (3X800 MW in Phase-I). The certificate of commencement of business was issued on January 11, 2013. M/s.RECTPCL has floated a bid on Build Own Operate and Maintain (BOOM) basis for selection of Transmission Service Provider for the above said project and M/s. L&T Infrastructure Development Projects Limited (L&TIDPL) was the successful bidder. Accordingly, the Company was acquired by L&TIDPL from REC TPCL on August 30, 2013 (effective date). The project is for 35 years from the Scheduled Commercial Operation Date, which is 18 months for first transmission element (Kudgi TPS to Narendra (new) 400 kV 2xD/C) and 28 months for second transmission element (Narendra (new) to Madhugiri 765 kV D/C and Madhugiri to Bidadi 400 kV D/C) from effective date as per the Transmission Service Agreement (TSA) dated 14th May 2013 entered into with potential Long Term Transmission Customer(s). The Company commenced operations of project on September 24, 2016.

ii) Significant Terms of the arrangements.

(a) Monthly Transmission Charges:

The Monthly Transmission Charges for each contract year shall be calculated in accordance with the provision of Schedule 5 of TSA.

(b) License Fee

A transmission licensee for inter-State transmission, including a person deemed to be an inter-State transmission licensee under any of the provisions to Section 14 of the Electricity Act 2003, shall pay license fee at the rate of 0.11% per annum on the annual transmission charges.

(c) Rebate as per clause 10.7 of Transmission Service agreement.

(i) Rebate of 2% shall be allowed on the Monthly Transmission charge Invoice or supplementary Bill for payments made in full within one business day of the receipt of the Invoice.

(ii) Rebate of 1% shall be allowed for payment of Invoice subsequently, but within the due date.

iii) Operation and Maintenance of the Project

Transmission Service Provider (TSP) shall be responsible for ensuring that the project is operated and maintained as specified under article 7 of the transmission service agreement (TSA) in accordance with the Indian Electricity Grid Code/ State Grid Code in an efficient, coordinated and economical manner.

iv) Details of Termination

TSA can be terminated on account of default of the company in the circumstances as specified under article 13 of the TSA.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

I. SIGNIFICANT ACCOUNTING POLICIES

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

1. Basis of preparation

(a) Compliance with IndAS

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

(b) Basis of measurement

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

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

(c) Use of estimates and judgements

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

(d) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(f) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(g) Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(h) Measurement of fair value

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

2 Presentation of financial statements

The Balance Sheet, the Statement of Profit and Loss and the Statements of Changes in Equity are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity , 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

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

The company 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 Financial 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.

a) Revenue from annuity based projects is recognised in the Statement of Profit and Loss over the concession period of the respective projects based on the implicit rate of return embedded in the projected cash flows. Such income is duly adjusted for any variation in the amount and timing of the cash flows in the period in which such variation occurs.

b) Interest income from term deposits is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate.

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

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

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

f) 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.

4 Cash and bank balances

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

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.

6 Property, plant and equipment (PPE)

A. Domestic Companies

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

The estimated useful lives of the assets are as follows:

Category of Property, plant and equipment	Estimated useful life (in years)
Buildings including ownership flats	50
Vehicles:	
Motor cars (other than those under the Company owned car scheme)	7
Motor cars (under the Company owned car scheme)	5

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

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

7 Exceptional items

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

8 Investments

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

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

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually at the fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

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.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(ii) Post employment benefits

(a) Defined contribution plans:

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

(b) Defined benefit plans:

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

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

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

The interest element in the actuarial valuation of defined benefit plans, which comprises the implicit interest cost and the impact of changes in discount rate is recognised as employee benefit expenses in the Statement of Profit and Loss.
In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize 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 recognizes 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.

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 recognizes any related restructuring costs.

10 Borrowing costs

Borrowing costs include interest calculated using the effective interest method, amortization 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 Consolidated 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 Consolidated 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 executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are as per Indian Accounting Standard 108 "Operating Segments" (IND AS 108) read with SEBI's circular dated July 5, 2016. 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 Company as a whole and are not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

12 Leases

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

Finance leases:

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

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

Operating leases:

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

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

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.

13 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.

14 Income taxes

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

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

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

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

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

15 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.

16 Provisions, contingent liabilities and contingent assets

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

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

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

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

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 amortized 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 amortized cost (unless the same are designated as fair value through profit or loss (FVTPL)):

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

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (unless the same are designated as fair value through profit or loss)

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

Debt instruments at FVTPL is a residual category for debt instruments and all changes are recognised in profit or loss. Investments in equity instruments are classified as FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in OCI for equity instruments which are not held for trading.

Interest income, dividend income and exchange difference (on debt instrument) on FVTOCI debt instruments is recognised in profit or loss and other changes in fair value are recognised in OCI and accumulated in other equity. On disposal of debt instruments FVTOCI 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 FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

A financial asset is primarily derecognized when:

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

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

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

b) Financial Liabilities

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

Loans and borrowings are subsequently measured at amortized 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 amortization.

Financial liability is derecognized 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 amortized to profit or loss from that date.

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

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

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

Impairment of financial assets (Expected Credit Loss Model)

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset and financial guarantees not designated at FVTPL

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

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

18 Operating Cycle

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

19 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.

20 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 M. K. DANDEKER & CO.
Chartered Accountants
(Firm Reg.No.000679S)
by the hand of

For and on behalf of the Board

S. POOSAIDURAI
Partner
Membership No.: 223754

Company Secretary

Chief Financial Officer

Director
PGSK
DIN: 07124883

Director
KTV
DIN: 01367727

Place: Chennai
Date: April 22, 2019

Place: Chennai
Date: April 22, 2019