

BOARD'S REPORT

Dear Members,

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

FINANCIAL RESULTS / FINANCIAL HIGHLIGHTS

(₹ in crore)

Particulars	2018-19	2017-18*
Profit / (Loss) Before Depreciation, exceptional items & Tax	4.69	(0.62)
Less: Depreciation, amortization, impairment and obsolescence	62.25	5.25
Profit / (Loss) before exceptional items and tax	(57.56)	(5.87)
Add: Exceptional Items	-	-
Profit / (Loss) before tax	(57.56)	(5.87)
Less: Provision for tax	-	-
Profit for the period carried to the Balance Sheet	(57.56)	(5.87)
Add: Balance brought forward from previous year	(8.80)	(2.97)
Add: Gain/(Loss) on re-measurement of the net defined benefit plans	(0.01)	0.04
Balance to be carried forward	(66.37)	(8.80)

*The project commercial operations was achieved on March 13, 2018, the figures pertaining to FY 2017-18 corresponds to 13.03.2018 – 31.03.2018.

CAPITAL & FINANCE

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

CAPITAL EXPENDITURE

As at March 31, 2019 the gross fixed and intangible assets including leased assets, stood at ₹1130.31 crore and the net fixed and intangible assets, including leased assets at ₹1062.18 crore. Capital Expenditure during the year amounted to ₹80.37 crore.

DEPOSITS

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

DEPOSITORY SYSTEM

As on March 31, 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 29,00,29,998 equity shares @ ₹10/- each are held in dematerialized form. 2 equity shares @ ₹10/- each are held in physical form.

SUBSIDIARY COMPANIES

Your company has no Subsidiary / Associate / Joint Venture Company under its purview.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY

Since the Company is engaged in the business of developing infrastructure facilities the provisions of Section 186 except sub-section (1) of the Act are not applicable to the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions during the year have been approved in terms of the Act. Details of Related Party Transactions are provided in AOC-2 – 'Annexure 1'.

All RPTs are at arm's length basis and are in the ordinary course of business.

STATE OF COMPANY AFFAIRS

The gross revenue and other income for the financial year under review were ₹226.76 crore as against ₹234.10 crore for the previous financial year including construction contract revenue of ₹80.22 crore as against ₹227.23 crore for the previous year, financial asset income of ₹12.97 crore as

against Nil for previous year. The loss before tax from continuing operations including extraordinary and exceptional items was ₹57.57 crore and the loss after tax from continuing operations including extraordinary and exceptional items of ₹57.57 crore for the financial year under review as against a loss of ₹5.83 crore and ₹5.83 crore respectively for the previous financial year. The previous figures are not comparable as the commercial operation started on March 13, 2018.

AMOUNT TO BE CARRIED TO RESERVE

Since the Company has incurred loss before tax for the year ended March 31, 2019 no amount is required to be transferred to the statutory reserve.

DIVIDEND

The Company has no distributable profits and hence no dividend is payable for the year.

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

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

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.

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

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.

The Company had incurred Foreign exchange expenditure of ₹17,97,189/- towards import of toll software.

RISK MANAGEMENT POLICY

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

CORPORATE SOCIAL RESPONSIBILITY

Since your Company does not exceed any of the threshold limits specified under section 135 of the Act, the provisions of Corporate Social Responsibility are not applicable.

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

Mr.Karthikeyan TV, Director retired by rotation at the Annual General Meeting held on September 28, 2018 and being eligible was reappointed.

Mr. Mathew George resigned with effect from July 12, 2018.

Mr.R.G.Ramachandran was appointed as Director with effect from September 28, 2018.

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

Name	Designation
Mr.Karthikeyan TV	Director
Mr.R.G.Ramachandran	Director
Ms.Samyuktha Surendran	Independent Director
Dr.A Veeraragavan	Independent Director

The Management was in search of suitable candidate and appointed Ms.Shambhavi as Company Secretary on March 15, 2019.

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

Name	Designation
Mr.S.D.Mahaveer	Manager
Mr.K.C.Raman	Chief Financial Officer
Ms.Shambhavi Nagarajan	Company Secretary

L&T SAMBALPUR ROURKELA TOLLWAY LIMITED

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 five 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 19, 2018	4	2
July 12, 2018	4	3
October 15, 2018	4	4
January 12, 2019	4	4
March 15, 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)
- Report on fatal or serious accidents
- Any materially relevant default, if any, in financial obligations to and by the Company
- Any issue which involves possible public or product liability claims of substantial nature, including any Judgement or Order, if any, which may have strictures on the conduct of the Company
- Development in respect of human resources
- Compliance or non-compliance of any regulatory, statutory nature or listing requirements and investor service

Presentations are made regularly to the Board/NRC/Audit Committee (minutes of Board, AC and NRC 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 reports, risk management, etc.

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

AUDIT COMMITTEE

The Company has constituted an Audit Committee in terms of the requirements of the Act. During the year the Audit Committee was reconstituted on July 12, 2018 with inclusion of Mr.Karthikeyan TV as member in the place of Mr.Mathew George. As at March 31, 2019 the Audit Committee comprised of Dr.A.Veeraragavan, 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 19, 2018	3	2
July 12, 2018	3	2
October 15, 2018	3	3
January 12, 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.Intidpl.com.

COMPANY POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION

The Company had constituted the Nomination and Remuneration Committee in place in terms of Companies Act, 2013. During the year the Committee was reconstituted on July 12, 2018 with inclusion of Mr.R.G.Ramachandran as member in the place of Mr.Mathew George. As at March 31, 2019 the Nomination and Remuneration Committee comprised of Dr.A.Veeraragavan, Ms.Samyuktha Surendran and Mr.R.G.Ramachandran.

During the year, two Meetings 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
July 12, 2018	3	2
March 15, 2019	3	3

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

DECLARATION OF INDEPENDENCE

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms that:

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

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

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

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

Further, the Independent Directors at 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.

DISCLOSURE OF REMUNERATION

As the shares of the Company are not listed with any stock exchange no information is being provided under Section 197 of the Act read with sub rule 2 of rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

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

PROTECTION OF WOMEN AT WORKPLACE

The Company has adopted a policy on Protection of Women's Rights at workplace in line with the policy formulated by the Holding company. This has been widely disseminated. There were no complaints of sexual harassment received by the Company during the year.

AUDITORS REPORT

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

AUDITOR

The Company at the 2nd Annual General Meeting (AGM) held on September 25, 2015 had appointed M/s.M.K.Dandekar & Co, Chartered Accountants, (ICAI 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 in the year 2020.

SECRETARIAL AUDITOR

M/s.Balaji Rajan & Associates, Company Secretary in practice (C.O.P.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 as '**Annexure 2**'.

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 23, 2018.

EXTRACT OF ANNUAL RETURN

The extract of the annual return in Form No. MGT – 9 is enclosed to this Report as '**Annexure 3**'.

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

Place: Chennai
Date: 22.04.2019

R.G.RAMACHANDRAN
Director
DIN 02671982

KARTHIKEYAN TV
Director
DIN 01367727

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 contracts or arrangements entered into by the Company with related party(s) during the FY 2018 – 19 which required shareholders' approval as per Sec. 188(1) of the Companies Act, 2013
- b. The details of related party transactions during the FY 2018 – 19 form part of the financial statements as per Ind AS 24 and the same is given in Note C(6)

For and on behalf of the Board

Place: Chennai
Date: 22.04.2019

R.G.RAMACHANDRAN
Director
DIN 02671982

KARTHIKEYAN TV
Director
DIN 01367727

ANNEXURE 2

FORMNO.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 L&T SAMBALPUR-ROURKELA TOLLWAY 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 L&T SAMBALPUR-ROURKELA TOLLWAY LIMITED (CIN: U45206TN2013PLC093395)** (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 L&T SAMBALPUR-ROURKELA TOLLWAY 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 hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, paper, minute books, forms and returns filed other records maintained by **M/s L&T SAMBALPUR-ROURKELA TOLLWAY 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.

M/s L&T SAMBALPUR-ROURKELA TOLLWAY LIMITED is an unlisted public limited company and hence compliance under the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act') viz:

- i. The Securities and Exchange Board of India(substantial Acquisition of shares and Takeovers) Regulations, 2011
- ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 ;
- iii. The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009
- iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines , 1999;
- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008,
- vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client,
- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
- viii. 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.

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

It has been observed that the company has appointed Company Secretary only w.e.f 15/03/2019 as required under the provisions of Section 203(1) read with Rule 8A of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014.

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. Ramchandran Iyer Ramagopal (DIN 02671982) has been appointed as Additional Director of the Company w.e.f. 12/07/2018 and he has been re-appointed as Director in the Annual General Meeting held on 28/09/2018;

- Mr. Mathew George (DIN 07402208) has resigned from the position of Director of the Company w.e.f. 12/07/2018;

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.

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.

Place: Chennai
Date: 12.04.2019

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

ANNEXURE A

To

The Members,

M/S L&T SAMBALPUR-ROURKELA TOLLWAY 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 3**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	U45206TN2013PLC093395
Registration Date	18/10/2013
Name of the Company	L&T Sambalpur - Rourkela Tollway Limited
Category / Sub-Category of the Company	Company Limited By Shares/Indian Non-Government Company
Address of the Registered office and contact details	Mount Poonamallee Road, Manapakkam, Chennai- 600089 www.lntidpl.com
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	NSDL Database Management Limited. 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013. (Phone: +91 22 49142700)

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

Category of Shareholders	No. of Shares held 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.	290029993	-	290029993	99.99	290029993	-	290029993	99.99	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	290029993	-	290029993	99.99	290029993	-	290029993	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	
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)	290029993	-	290029993	99.99	290029993	-	290029993	99.99	-
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
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 Rs 1 lakh	-	7*	7*	0.01	5*	2	2	0.01	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	-	7*	7*	0.01	5*	2	2	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)	290029993	7*	290030000	100	290029998	2	290030000	100	-

* Including Shares held by individuals jointly with L&T Infrastructure Development Projects 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	290029993	99.99%	-	290029993	99.99%	-	-
	Total	290029993	99.99%	-	290029993	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. T.S.Venkatesan				
	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
2	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
3	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
4	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

(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 TV 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. R.G.Ramachandran jointly with L&T IDPL				
	As on April 1, 2018	1	0	1	0
	No change in Shareholding during the year	-	-	-	-
	As on March 31, 2019	1	0	1	0

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	904.59	-	904.59
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)	904.59	-	904.59
Change in Indebtedness during the financial year			
Addition	108.34	43.38	151.72
Reduction	(20.00)	(28.00)	(48.00)
Net Change	88.34	15.38	103.72
Indebtedness at the end of the financial year			
i) Principal Amount	992.93	15.38	1008.31
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)	992.93	15.38	1008.31

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. Mahaveer Shartappa Dasharthna	
1.	Gross salary	45,32,939	45,32,939
	(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)	45,32,939	45,32,939
	Ceiling as per the Act	120,00,000	

B. Remuneration to other directors:

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	Dr. A. Veeraragavan	Ms.Samyuktha Surendran	
	Fee for attending Board Meeting	1,25,000	1,00,000	2,25,000
	Fee for attending Committee Meeting	60,000	40,000	1,00,000
	Commission	—	—	-
	Others	—	—	-
	Total (1)	1,85,000	1,40,000	3,25,000
2.	Other Non – Executive Directors			
	1. Mr. Karthikeyan TV			—
	2. Mr. Mathew George			
	No Fee for attending Board Meeting /		—	—
	Committee Meeting			
	and No Commission		—	—
	Total (2)			
	Total (B)=(1+2)	1,85,000	1,40,000	3,25,000
	Overall Ceiling as per the Act	Sitting fees not more than ₹100000 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.

Mr.K.C.Raman, CFO and Ms.Shambhavi Nagarajan are employed by the Holding Company and Ultimate Holding Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

R.G. RAMACHANDRAN
Director
DIN: 02671982

KARTHIKEYAN T.V.
Director
DIN: 01367727

Place: Chennai
Date: 22nd April 2019

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF M/S. L&T SAMBALPUR ROURKELA TOLLWAY LIMITED

REPORT ON THE IND AS FINANCIAL STATEMENTS

OPINION

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

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

BASIS FOR OPINION

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

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

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

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

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE IND AS FINANCIAL STATEMENTS

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

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

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

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

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

L&T SAMBALPUR ROURKELA TOLLWAY LIMITED

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - 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. Dandekar & Co.,
(ICAI Regn. No. 000679S)

S. POOSAIDURAI
Partner
Chartered Accountants
Membership No. 223754

Place: Chennai
Date: April 22, 2019

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 Company does not have any immovable properties and hence clause 3 (i)(c) of the Companies (Auditor's Report) Order 2016 is not applicable.
2. The Company is engaged in the business of infrastructure development and maintenance and hence clause 3(ii) of Companies (Auditor's Report) order 2016 relating to inventory is not applicable.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. According to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 are complied with in respect of loans, investments, guarantees and securities given by the Company, if any.
5. The Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.
6. The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act is not applicable to 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 service tax, cess and any other statutory dues with the appropriate authorities.
- b. According to the information and explanation given to us, the details of statutory dues which have not been deposited as on March 31, 2019 on account of disputes are given below:

Particulars	Period to which the amount relates	Forum where the dispute is pending	Amount (In ₹)
Income Tax	A.Y. 2016-17	CIT (Appeals)	17,24,196

8. The Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders.
9. According to the information and explanation given to us, the Company has not raised moneys by way of initial public offer or further public offer (including Debt instruments) or term loans during the year and hence clause 3 (ix) of the Companies (Auditor's Report) Order 2016 is not applicable.
10. Based on the information and explanation given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us and based on our examination of the records of the Company, 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 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. Dandekar & Co.,
(ICAI Regn. No. 000679S)

Place: Chennai
Date: April 22, 2019

S. POOSAI DURAI
Partner
Chartered Accountants
Membership No. 223754

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of

records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For M.K. Dandekar & Co.,
(ICAI Regn. No. 000679S)

S. POOSAI DURAI
Partner
Chartered Accountants
Membership No. 223754

Place: Chennai
Date: April 22, 2019

BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Note No	As at March 31, 2019 ₹	As at March 31, 2018 ₹
ASSETS			
(1) Non-current assets			
a) Property, plant and equipment	1	31,234,455	35,922,338
b) Intangible assets	2	10,328,653,690	10,143,707,809
c) Intangible assets under development	3	261,865,546	261,865,546
d) Financial assets			
i) Security deposits	4 a	2,896,789	2,884,946
ii) Government grant receivable	4 a	937,450,000	1,512,553,140
		11,562,100,480	11,956,933,779
(2) Current assets			
a) Financial assets			
i) Investments	5	898,325,660	17,299,996
ii) Cash and cash equivalents	6	235,676,525	107,300,510
iii) Other receivables	4 b	104,449,838	109,308,688
iv) Government grant receivable	4 a	575,103,140	791,798,793
b) Current tax assets (net)	4 b	5,322,782	10,439,282
c) Other current assets	4 b	16,727,263	8,922,841
		1,835,605,208	1,045,070,110
TOTAL ASSETS		13,397,705,688	13,002,003,889
EQUITY AND LIABILITIES			
EQUITY			
a) Equity share capital	7	2,900,300,000	2,900,300,000
b) Other equity	8	(663,717,445)	(88,034,786)
		2,236,582,555	2,812,265,214
LIABILITIES			
(1) Non-current liabilities			
a) Financial liabilities			
i) Borrowings	9	9,624,418,905	8,852,047,085
b) Provisions	10	158,584,050	13,703,905
		9,783,002,955	8,865,750,990
(2) Current liabilities			
a) Financial liabilities			
i) Trade payables	11	13,312,140	3,034,661
ii) Other Financial liabilities	12	948,185,953	650,996,164
b) Other current liabilities	13	414,914,174	667,900,997
c) Provisions	10	1,707,911	2,055,863
		1,378,120,178	1,323,987,685
TOTAL EQUITY AND LIABILITIES		13,397,705,688	13,002,003,889
Contingent liabilities	A		
Commitments	B		
Other notes forming part of accounts	C		
Significant accounting policies	D		

As per our report attached

For and on behalf of the Board

FOR M.K.DANDEKER & CO

Chartered Accountants

(Firm registration no.000679S)

by the hand of

S. POOSAIDURAI

Partner

Membership No. 223754

N. SHAMBHAVI

Company secretary

M. No. A56181

K.C. RAMAN

Chief Financial Officer

R.G. RAMACHANDRAN

Director

DIN: 02671982

KARTHIKEYAN T.V.

Director

DIN: 01367727

Place: Chennai

Date: 22nd April 2019

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

Particulars	Note	Year Ended March 31, 2019	Year Ended March 31, 2018
		₹	₹
REVENUE			
Revenue from Operations	14	1,440,635,126	58,145,958
Construction contract revenue		802,192,754	2,272,278,933
Other income	15	24,780,929	10,550,622
Total income		2,267,608,809	2,340,975,513
EXPENSES			
Construction contract expenses		802,192,754	2,272,278,933
Operating expenses	16	339,000,877	19,847,637
Employee benefit expenses	17	61,641,132	5,772,841
Finance costs	18	975,638,032	45,503,376
Depreciation, amortisation and obsolescence	1 & 2	622,502,129	52,450,270
Administration and other expenses	19	42,272,678	3,791,619
Total expenses		2,843,247,602	2,399,644,676
Profit/(loss) before exceptional items and tax		(575,638,793)	(58,669,163)
Exceptional items		-	-
Profit/(loss) before tax		(575,638,793)	(58,669,163)
Tax Expenses		-	-
Profit/(loss) for the year		(575,638,793)	(58,669,163)
Other comprehensive income			
i) Items that will not be reclassified to profit or loss (net of tax) - Remeasurements of defined benefit plans		(43,866)	342,016
Total comprehensive income for the year		(575,682,659)	(58,327,147)
Earnings per equity share (Basic and Diluted)	C (8)	(1.98)	(0.20)
Face value per equity share		10.00	10.00
Other notes forming part of accounts	C		
Significant accounting policies	D		

As per our report attached

For and on behalf of the Board

FOR M.K.DANDEKER & CO

Chartered Accountants
(Firm registration no.000679S)
by the hand of

S. POOSAIIDURAI
Partner
Membership No. 223754

N. SHAMBHAVI
Company secretary
M. No. A56181

K.C. RAMAN
Chief Financial Officer

R.G. RAMACHANDRAN
Director
DIN: 02671982

KARTHIKEYAN T.V.
Director
DIN: 01367727

Place: Chennai
Date: 22nd April 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

S.No.	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
		₹	₹
A	Cash flow from operating activities		
	Net profit / (loss) before tax and extraordinary items	(575,638,793)	(58,669,163)
	Adjustments for		
	Depreciation and amortisation expense	622,502,129	52,450,270
	Finance Costs	975,638,032	45,503,376
	Other comprehensive income	(43,866)	342,016
	Financial asset income	(129,700,000)	-
	Interest income	(5,793,503)	(12,342)
	(Profit)/loss on sale of current investments	(18,904,187)	(10,472,361)
	(Profit)/loss on sale of Property, Plant & Equipment	2,915	(64,953)
	Operating profit before working capital changes	868,062,727	29,076,843
	Adjustments for:		
	Increase / (Decrease) in long term provisions	143,587,640	8,830,985
	Increase / (Decrease) in trade payables	10,277,479	2,952,113
	Increase / (Decrease) in other current liabilities	250,821,657	47,868,256
	Increase / (Decrease) in short term provisions	(347,952)	(4,524,909)
	(Increase) / Decrease in long term loans and advances	(11,843)	(1,934,696)
	(Increase) / Decrease in other non-current assets	-	175,769,634
	(Increase) / Decrease in Trade Receivable	4,858,850	(104,584,862)
	(Increase) / Decrease in other current assets	(7,804,422)	301,708,741
	Net cash generated from/ (used in) operating activities	1,269,444,136	455,162,105
	Net income tax (paid)/ refunds	5,116,500	(4,450,198)
	Net Cash (used in)/ generated from Operating Activities	1,274,560,636	450,711,907
B	Cash flow from investing activities		
	Purchase of Property, Plant & Equipment	(1,275,182,600)	(1,911,937,942)
	Sale of Property, Plant & Equipment	941,645	332,577
	(Purchase)/sale of current investments (net)	(862,121,477)	221,361,694
	Interest received	5,793,503	12,342
	Net cash (used in)/generated from investing activities	(2,130,568,929)	(1,690,231,329)
C	Cash flow from financing activities		
	Proceeds from short term borrowings	153,781,222	-
	Proceeds from long term borrowings	880,824,785	4,298,850,091
	Proceeds from Government Grant	921,498,793	550,836,984
	Proceeds/(repayment) from/of Letter of Credit	-	(3,048,452,432)
	Interest paid	(971,720,492)	(802,521,291)
	Net cash (used in)/generated from financing activities	984,384,308	998,713,352
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	128,376,015	(240,806,070)
	Cash and cash equivalents as at the beginning of the year	107,300,510	348,106,580
	Cash and cash equivalents as at the end of the year	235,676,525	107,300,510
	Other notes forming part of accounts	C	
	Significant accounting policies	D	

Notes:

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

As per our report attached

For and on behalf of the Board

FOR M.K.DANDEKER & CO

Chartered Accountants

(Firm registration no.000679S)

by the hand of

S. POOSAIDURAI

Partner

Membership No. 223754

N. SHAMBHAVI

Company secretary

M. No. A56181

K.C. RAMAN

Chief Financial Officer

R.G. RAMACHANDRAN

Director

DIN: 02671982

KARTHIKEYAN T.V.

Director

DIN: 01367727

Place: Chennai

Date: 22nd April 2019

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

A. EQUITY SHARE CAPITAL

Particulars	No. of shares	₹
Balance at the beginning of the year	290,030,000	2,900,300,000
Changes in equity share capital	-	-
Balance at the end of the year	290,030,000	2,900,300,000

B. OTHER EQUITY

Particulars	Retained earnings	Total
Balance at the beginning of the year	(88,034,786)	(88,034,786)
Profit/(loss) for the year	(575,638,793)	(575,638,793)
Other comprehensive income	(43,866)	(43,866)
Balance at the end of the year	(663,717,445)	(663,717,445)
Other notes forming part of accounts	C	
Significant accounting policies	D	

As per our report attached

For and on behalf of the Board

FOR M.K.DANDEKER & CO

Chartered Accountants

(Firm registration no.000679S)

by the hand of

S. POOSAIDURAI

Partner

Membership No. 223754

N. SHAMBHAVI

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Chief Financial Officer

R.G. RAMACHANDRAN

Director

DIN: 02671982

KARTHIKEYAN T.V.

Director

DIN: 01367727

Place: Chennai

Date: 22nd April 2019

NOTES FORMING PART OF ACCOUNTS

1 PROPERTY, PLANT AND EQUIPMENT

Particulars	Cost				As at April 01, 2018	Depreciation			Book Value	
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019		For the year	On disposals	As at March 31, 2019	As at March 31, 2019	As as March 31, 2018
Owned										
Plant and equipment	214,300	101,598	-	315,898	5,586	30,743	-	36,329	279,569	208,714
Furniture and fixtures	6,077,504	-	-	6,077,504	874,941	647,048	-	1,521,989	4,555,515	5,202,563
Vehicles	8,973,068	700,451	560,000	9,113,519	513,004	1,333,770	25,715	1,821,059	7,292,460	8,460,064
Office equipment	3,192,644	108,098	-	3,300,742	1,242,318	497,267	-	1,739,585	1,561,157	1,950,326
Electrical installations	18,569,179	701,319	-	19,270,498	1,560,183	1,909,518	-	3,469,701	15,800,797	17,008,996
Air conditioning and refrigeration	1,079,413	-	-	1,079,413	1,066,712	12,667	-	1,079,379	34	12,701
Computers, laptops and printers	4,912,054	498,531	524,420	4,886,165	1,833,080	1,422,307	114,145	3,141,242	1,744,923	3,078,974
Total	43,018,162	2,109,997	1,084,420	44,043,739	7,095,824	5,853,320	139,860	12,809,284	31,234,455	35,922,338
<i>Previous year</i>	<i>7,174,534</i>	<i>36,361,760</i>	<i>518,132</i>	<i>43,018,162</i>	<i>2,789,206</i>	<i>4,557,126</i>	<i>250,508</i>	<i>7,095,824</i>	<i>35,922,338</i>	<i>4,385,328</i>

2 INTANGIBLE ASSETS

Particulars	Cost				Amortisation				Book Value	
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	As at April 01, 2018	For the year	On disposals	As at March 31, 2019	As at March 31, 2019	As as March 31, 2018
Specialised software	5,301,437	-	-	5,301,437	736,311	1,767,146	-	2,503,457	2,797,980	4,565,126
Toll collection rights ¹	10,190,286,089	801,594,690	-	10,991,880,779	51,143,406	614,881,663	-	666,025,069	10,325,855,710	10,139,142,683
Total	10,195,587,526	801,594,690	-	10,997,182,216	51,879,717	616,648,809	-	668,528,526	10,328,653,690	10,143,707,809
<i>Previous year</i>	<i>-</i>	<i>10,195,587,526</i>	<i>-</i>	<i>10,195,587,526</i>	<i>-</i>	<i>51,879,717</i>	<i>-</i>	<i>51,879,717</i>	<i>10,143,707,809</i>	<i>-</i>

3 INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	Cost			
	As at April 01, 2018	Additions	Capitalised during the year	As at March 31, 2019
Construction cost	261,865,546	-	-	261,865,546
	-	-	-	-
Total	261,865,546	-	-	261,865,546
<i>Previous year</i>	<i>10,299,001,726</i>	<i>2,491,414,904</i>	<i>12,528,551,084</i>	<i>261,865,546</i>

* Toll collection rights includes discounted value of grant receivable from OWD amounting to ₹433.38 Cr

NOTES FORMING PART OF ACCOUNTS (Contd.)**4A FINANCIAL ASSET**

Particulars	As at March 31, 2019			As at March 31, 2018		
	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹
Security deposits						
Unsecured, considered good	-	2,896,789	2,896,789	-	2,884,946	2,884,946
	-	2,896,789	2,896,789	-	2,884,946	2,884,946
Government grant receivable (Refer Note Below)	575,103,140	937,450,000	1,512,553,140	791,798,793	1,512,553,140	2,304,351,933
	575,103,140	937,450,000	1,512,553,140	791,798,793	1,512,553,140	2,304,351,933

The amount receivable from the Works Department, Government of Odisha in accordance with the Article 25 of the Concession Agreement is recognized as a financial asset in accordance with Appendix A of IndAS 11 and on the principles of IndAS 109.

4 B OTHER NON-CURRENT AND CURRENT ASSETS

Particulars	As at March 31, 2019			As at March 31, 2018		
	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹
Advances other than capital advances						
Advances to employees	431,337	-	431,337	407,971	-	407,971
Advances recoverable in cash or kind	1,422,899	-	1,422,899	114,317	-	114,317
Gratuity Plan Asset (Net of provisions)	80,117	-	80,117	566,583	-	566,583
Others						
Prepaid insurance	7,098,411	-	7,098,411	4,112,666	-	4,112,666
GST input credit (net of liability)	5,274,583	-	5,274,583	1,830,192	-	1,830,192
Prepaid expenses	447,793	-	447,793	-	-	-
VAT recoverable	1,891,112	-	1,891,112	1,891,112	-	1,891,112
		-	-			-
Other receivables	53,296		53,296			
Retention receivable	104,396,542	-	104,396,542	109,308,688	-	109,308,688
	121,177,101	-	121,177,101	118,231,529	-	118,231,529
Current tax assets (Net)						
Income tax net of provisions	5,322,782	-	5,322,782	10,439,282	-	10,439,282
	5,322,782	-	5,322,782	10,439,282	-	10,439,282

5 INVESTMENTS

Particulars	As at March 31, 2019	As at March 31, 2018
	Current	Current
	₹	₹
Investments carried at fair value through Profit and loss:		
Liquid Mutual fund units	898,325,660	17,299,996
	898,325,660	17,299,996
Aggregate book value of quoted investments	898,325,660	17,299,996
Aggregate market value of quoted investments	898,325,660	17,299,996

NOTES FORMING PART OF ACCOUNTS (Contd.)**DETAILS OF MUTUAL FUNDS HOLDINGS AS ON MARCH 31, 2019& MARCH 31, 2018 AS AS BELOW**

Particulars	No. of Units	March 31, 2019		March 31, 2018
		Cost	Market Value	Market Value
Reliance liquidity fund growth option	42,013	188,274,851	190,704,996	-
IDFC cash fund-growth	2,483	5,600,000	5,606,119	17,299,996
ICICI Prudentials	251,789	68,023,304	69,347,383	-
SBI Premier liquid fund	52,037	150,819,151	151,808,492	-
L&T Liquid Fund - Regular Growth	39,873	100,687,089	101,821,864	-
UTI Liquid Fund - Growth	49,008	149,200,000	149,470,424	-
TATA Liquid fund regular plan growth	14,562	42,100,000	42,675,754	-
AXIS Mutual fund	45,991	94,400,000	94,976,591	-
INVESCO mutual fund	25,200	90,525,403	91,914,037	-
Total	522,956	889,629,797	898,325,660	17,299,996

6 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2019	As at March 31, 2018
	₹	₹
a) Balances with banks		
- In Trust retention and escrow accounts	13,992,931	9,393,065
- In other current accounts	296,550	703,301
- In Deposit account with original maturity of less than 3 mths. (including interest accrued thereon)	207,166,899	85,011,108
b) Cash on hand	14,220,145	12,193,036
	235,676,525	107,300,510

The trust retention and escrow accounts carry a First charge to the extent of amount payable as per the waterfall mechanism as defined in the Concession agreement / Common loan agreement. As at March 31, 2019, there were no amounts included in this which are restricted/ earmarked for any specific purposes by virtue of the said waterfall mechanism.

7 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	290,500,000	2,905,000,000	290,500,000	2,905,000,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	290,030,000	2,900,300,000	290,030,000	2,900,300,000
	290,030,000	2,900,300,000	290,030,000	2,900,300,000

(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	290,030,000	2,900,300,000	215,850,000	2,158,500,000
Issued during the year as fully paid	-	-	74,180,000	741,800,000
At the end of the year	290,030,000	2,900,300,000	290,030,000	2,900,300,000

(iii) Terms / rights attached to shares

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

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

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

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	₹	No. of shares	₹
L&T Infrastructure Development Projects Limited (including nominee holding)	290,029,998	2,900,299,980	290,029,998	2,900,299,980
	290,029,998	2,900,299,980	290,029,998	2,900,299,980

(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 (including nominee holding)	290,029,998	99.99%	290,029,998	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

8 OTHER EQUITY

Particulars	Retained earnings	Total
Balance at the beginning of the year	(88,034,786)	(88,034,786)
Profit/(loss) for the year	(575,638,793)	(575,638,793)
Other comprehensive income	(43,866)	(43,866)
Balance at the end of the year	(663,717,445)	(663,717,445)

9 BORROWINGS

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non current	Total	Non current	Total
	₹	₹	₹	₹
a) Term loans (Secured)				
i) From banks	9,624,418,905	9,624,418,905	8,852,047,085	8,852,047,085
	9,624,418,905	9,624,418,905	8,852,047,085	8,852,047,085

Details of Term Loans:

Particulars	Effective interest rate	Terms of repayment
Term loans from banks	MCLR+ applicable spread	Repayable in 132 unequal monthly instalments commencing from May, 2018.

Nature of security for Term loans:

- Secured by first charge by way of hypothecation on all movable/immovable assets of the Company, both present and future, excluding Project assets as defined in the Concession Agreement.
- First charge on Project book debts, operating cash flows, receivables, commissions, insurance proceeds, revenues of whatsoever nature and wherever arising, present and future.
- Assignment of all the rights, title, interest, benefits, claims and demands, whatsoever of the company.
- Escrow account to the extent of waterfall of priorities of payment as permitted to the lenders under Escrow Agreement.
- Debt Service Coverage Ratio Support Amount.
- First charge of all the Company's rights, interests related to the proposed project under the letter of credit (if any), guarantee or performance bond provided by any party.

NOTES FORMING PART OF ACCOUNTS (Contd.)

Presentation of borrowings in the Balance Sheet is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Long term borrowings	9,624,418,905	8,852,047,085
Current maturities of long term borrowings	304,920,000	193,842,000

As at 31 March 2019, the Company has ₹NIL. (As at 31 March 2018 - ₹1,08,33,17,327) of undrawn committed borrowing facilities.

10 PROVISIONS

Particulars	As at March 31, 2019			As at March 31, 2018		
	Current	Non current	Total	Current	Non current	Total
	₹	₹	₹	₹	₹	₹
Provision for employee benefits						
- Leave encashment - Net of plan assets	433,857		433,857	214,147		214,147
- Retention Pay	1,274,054	1,473,352	2,747,406	1,841,716	2,910,969	4,752,685
Provisions for major maintenance reserve - Refer note C (10)b		157,110,698	157,110,698		10,792,936	10,792,936
	<u>1,707,911</u>	<u>158,584,050</u>	<u>160,291,961</u>	<u>2,055,863</u>	<u>13,703,905</u>	<u>15,759,768</u>

11 TRADE PAYABLES

Particulars	As at March 31, 2019			As at March 31, 2018		
	Current	Non current	Total	Current	Non current	Total
	₹	₹	₹	₹	₹	₹
Dues to related parties	1,114,707	-	1,114,707	2,921,445	-	2,921,445
Dues to others	12,197,433	-	12,197,433	113,216	-	113,216
	<u>13,312,140</u>	<u>-</u>	<u>13,312,140</u>	<u>3,034,661</u>	<u>-</u>	<u>3,034,661</u>

12 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2019			As at March 31, 2018		
	Current	Non current	Total	Current	Non current	Total
	₹	₹	₹	₹	₹	₹
i) Current maturities of long term borrowings	304,920,000	-	304,920,000	193,842,000	-	193,842,000
ii) Current liabilities						
- for capital goods	489,484,731	-	489,484,731	457,154,164		457,154,164
iii) Inter corporate deposit (refer note below)	153,781,222	-	153,781,222	-	-	-
	<u>948,185,953</u>	<u>-</u>	<u>948,185,953</u>	<u>650,996,164</u>	<u>-</u>	<u>650,996,164</u>

Inter corporate deposit was received during the year in order to meet the debt equity ratio as per the clause 2.20 of CLA to enable us to apply 100% of grant. The same will be repaid once the balance construction grant applied is received.

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

Particulars	As at March 31, 2019			As at March 31, 2018		
	Current	Non current	Total	Current	Non current	Total
	₹	₹	₹	₹	₹	₹
i) Statutory Liabilities	2,821,461	-	2,821,461	8,370,075	-	8,370,075
ii) Dues to related parties:						
- for capital goods	12,667,272	-	12,667,272	516,475,752	-	516,475,752
- for services	127,419,296	-	127,419,296	35,873,552	-	35,873,552
iii) Liability for expenses	107,428,416	-	107,428,416	75,425,740	-	75,425,740
iii) Other payables	164,577,729	-	164,577,729	31,755,878	-	31,755,878
	<u>414,914,174</u>	<u>-</u>	<u>414,914,174</u>	<u>667,900,997</u>	<u>-</u>	<u>667,900,997</u>

A Contingent Liabilities

Contingent liabilities as at March 31, 2019 is as below (previous year: Nil)

Particulars	A.Y.	Amount (In ₹)
Income tax demand	2016-17	1,724,196

B Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at March 31, 2019 is ' Nil (previous year: '31,78,79,763)

14 REVENUE FROM OPERATIONS

Particulars	2018-19		2017-18	
	₹	₹	₹	₹
Operating revenue:				
Toll collections	1,310,935,126		58,145,958	
		<u>1,310,935,126</u>		<u>58,145,958</u>
Other operating revenue:				
Financial asset income		129,700,000		
		<u>1,440,635,126</u>		<u>58,145,958</u>

15 OTHER INCOME

Particulars	2018-19		2017-18	
	₹	₹	₹	₹
Interest income from:				
- Bank deposits	5,290,390			
- Others	503,113		-	
		<u>5,793,503</u>		<u>12,342</u>
Profit on sale of current investments		18,904,187		10,472,361
Profit/(loss) on disposal of Property, Plant & Equipment		(2,915)		64,953
Change of scope / Utility shifting income (net):				
Income received from Odisha Works Dept.			722,724,647	
Less: Sub-contracting charges		-	(722,723,681)	966
Miscellaneous Income		86,154		-
		<u>24,780,929</u>		<u>10,550,622</u>

NOTES FORMING PART OF ACCOUNTS (Contd.)**16 OPERATING EXPENSES**

Particulars	2018-19		2017-18	
	₹	₹	₹	₹
Toll management fees		76,114,677		2,927,378
Security services		23,739,053		1,688,656
Insurance		5,422,900		613,292
Concession Fee		1		-
Change of scope / Utility shifting expenses (net):				
Income received from Odisha Works Dept.	(60,167,728)			
Less: Sub-contracting charges	60,716,094	548,366		-
Repairs and maintenance:				
- Toll road & bridges	35,922,830		960,410	
Plant and machinery	6,863,066		-	
- Periodic major maintenance	145,025,257		10,792,936	
- Others	14,982,768		1,006,257	
		202,793,921		12,759,603
Professional Fees		9,700,093		-
Power and fuel		20,681,866		1,858,708
		339,000,877		19,847,637

17. EMPLOYEE BENEFIT EXPENSES

Particulars	2018-19		2017-18	
	₹	₹	₹	₹
Salaries, wages and bonus		48,864,915		2,608,252
Contributions to and provisions for:				
- Provident fund	2,239,518		193,002	
- Gratuity	622,565		349,638	
- Leave encashment	1,729,101	4,591,184	1,228,784	1,771,424
Staff welfare expenses		8,185,033		1,393,165
		61,641,132		5,772,841

18 FINANCE COSTS

Particulars	2018-19		2017-18	
	₹	₹	₹	₹
Interest on borrowings		960,953,815		45,503,376
Other borrowing cost		10,766,677		-
Unwinding of discount and implicit interest expense on fair value		3,917,540		-
		975,638,032		45,503,376

NOTES FORMING PART OF ACCOUNTS (Contd.)**19 ADMINISTRATION AND OTHER EXPENSES**

Particulars	2018-19		2017-18	
	₹	₹	₹	₹
Rent, Rates and taxes		1,596,842		116,883
Payments to Auditor - refer note below		608,881		720,225
Professional fees		4,273,239		252,500
Director's sitting Fees		354,000		361,900
Postage and communication		3,288,268		-
Printing and stationery		1,344,587		46,952
Travelling and conveyance		15,835,075		621,554
Insurance Expenses		28,004		-
Repairs and Maintenance - Others		12,180,830		1,306,138
Bank charges		1,858,675		6,870
Miscellaneous expenses		904,277		358,597
		42,272,678		3,791,619

(a) Payments to auditor (including taxes) as follows:

	2018-19	2017-18
Particulars	₹	₹
a) As auditor	236,000	236,000
b) For taxation matters	59,000	59,000
c) For other services	313,881	425,225
Total	608,881	720,225

C NOTES FORMING PART OF ACCOUNTS**1) Corporate Information**

L&T Sambalpur Rourkela Tollway Limited is a Special Purpose Vehicle incorporated on 18th Oct 2013 for the purpose of executing and operating the project consist of Four Laning with Paved shoulders of Sambalpur-Rourkela Section of State Highway No.10 (SH-10) from KM 4.9000 to KM 167.9000 in the State of Odisha to be executed as Build, Operate and Transfer (Toll) on DBFOT (Design, Built, Finance, Operate and Transfer) pattern as per the Concession Agreement entered into with the Works Department, Government of Odisha on 8th Nov 2013. The appointed date as specified in terms article 48.1 of the said agreement is 15th July 2014. The Concession Period is for 22 years (including the construction period of 3 years) from the Appointed Date. The company obtained provisional completion certificate upon completion of 159.570 kms on 13th March 2018 and started its commercial operations.

2) The CIF value of imports made during the year in foreign currency is Rs. 17,97,189/- during the year. (previous year - Rs. 1,41,90,251/-).**3) Disclosure pursuant to Ind AS 19 "Employee benefits":****(i) Defined contribution plan:**

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

An amount of ₹ 22,39,518/- (previous year ₹ 22,18,308/-) being contribution made to provident fund included under Toll collection rights ₹ NIL/- (Note 3)

(previous year ₹ 20,25,306/-) and ₹ 22,39,518/- to the profit and loss account (previous year ₹ 1,93,002/-).

(ii) Defined benefit plans:

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.

NOTES FORMING PART OF ACCOUNTS (Contd.)**a) The amounts recognised in Balance Sheet are as follows:**

Particulars	Gratuity plan	
	As at March 31, 2019	As at March 31, 2018
	₹	₹
A) Present value of defined benefit obligation		
- Wholly funded	3,720,660	3,598,158
- Wholly unfunded	-	-
	3,720,660	3,598,158
Less : Fair value of plan assets	3,800,777	3,384,011
Amount to be recognised as liability or (asset)	(80,117)	214,147
B) Amounts reflected in the Balance Sheet		
Liabilities	(80,117)	214,147
Assets	-	-
Net Liability / (asset)	(80,117)	214,147

b) The amounts recognised in the Statement of Profit and loss are as follows (included under Pre-operative expenses):

Particulars	Gratuity plan	
	As at March 31, 2019	As at March 31, 2018
	₹	₹
1 Current service cost	720,980	681,542
2 Interest on Defined benefit obligation(Net)	(10,683)	16,370
Total (1 to 7)	710,297	697,912
I Amount included in "employee benefit expenses"	710,297	697,912
II Amount included as part of "finance costs"	-	-
Total (I + II)	710,297	697,912
Actual return on plan assets	-	-

c) Remeasurement recognized in other comprehensive income

Particulars	Gratuity plan	
	As at March 31, 2019	As at March 31, 2018
	₹	₹
Components of actuarial gain/losses on obligations		
Due to change in financial assumptions	42,563	12,542
Due to change in demographic assumption	-	-
Due to experience adjustments	(248,108)	(380,641)
Return on plan assets excluding amounts included in interest income	161,679	26,083
	(43,866)	(342,016)

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	
	As at March 31, 2019	As at March 31, 2018
	₹	₹
Opening balance of the present value of defined benefit obligation	3,598,158	3,299,117
Add: Current service cost	720,980	681,542
Add: Interest cost	252,304	220,922
Add/(less): Actuarial losses/(gains)	(205,545)	(368,099)
Less: Benefits paid	645,237	235,324
Add: Past service cost	-	-
Closing balance of the present value of defined benefit obligation	3,720,660	3,598,158

NOTES FORMING PART OF ACCOUNTS (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	
	As at March 31, 2019	As at March 31, 2018
	₹	₹
Opening balance of fair value of plan assets	3,384,011	2,722,801
Add: Expected return on plan assets	262,987	204,552
Add/(less): Actuarial losses/(gains)	(161,679)	(26,083)
Add: Contribution by employer	960,695	718,065
Less: Benefits paid	645,237	235,324
Closing balance of fair value of plan assets	3,800,777	3,384,011

- f) The major components of plan assets as a percentage of total plan assets are as follows:

Particulars	Gratuity plan	
	As at March 31, 2019	As at March 31, 2018
Insurer managed funds	100%	100%

- g) 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) Expected Return on Plan Assets	7.15%	6.00%
3) Salary growth rate	6.00%	6.00%
4) Attrition rate	3% to 15%	3% to 15%

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

Particulars	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018
	Change	Obligation	Change	Obligation
i) Discount rate	+0.5%	3,581,887	+0.5%	3,370,435
	-0.5%	3,868,671	-0.5%	3,625,880
ii) Salary growth rate	+0.5%	3,869,606	+0.5%	3,626,896
	-0.5%	3,579,783	-0.5%	3,368,387

- f) The future contributions in the next year towards the defined benefit plan is '6,80,426

4) Disclosure pursuant to Ind AS 23 "Borrowing Costs"

Borrowing cost capitalised during the year ₹Nil (previous year ₹75,58,07,250) and charged to Statement of Profit and loss is ₹97,17,20,492 (previous year ₹4,55,03,376).

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

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

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

Ultimate Holding Company :	Larsen & Toubro Limited
Holding Company :	L&T Infrastructure Development Projects Limited
Fellow Subsidiaries :	Vadodara Bharuch Tollway Limited Western Andhra Tollways Limited (Upto 04/05/2018) L&T Samakhiali Gandhidham Tollway Limited L&T Rajkot Vadinar Tollway Limited L&T Infotech limited

NOTES FORMING PART OF ACCOUNTS (Contd.)

	L&T Deccan Tollways Limited L&T Interstate Road Corridor Limited Ahmedabad Maliya Tollway Limited L & T Infrastructure Engineering Limited
Key Managerial Personnel:	Mr. S.D. Mahaveer, Manager
Chief financial Officer:	Mr. Kettavarampalayam Chakrapani Raman

b) Disclosure of related party transactions:

Particulars	2018-19	2017-18
	₹	₹
Purchase of goods and services incl. taxes		
♦ L&T Infrastructure Development Projects Limited	396,639,373	1,893,187,165
♦ Larsen & Toubro Limited	239,061,256	558,294,309
♦ L&T Infotech Limited	-	5,301,437
♦ L&T Infrastructure Engineering Limited	1,179,528	-
Reimbursement of expenses charged to		
♦ L&T Infrastructure Development Projects Limited	1,262,746	-
♦ Larsen & Toubro Limited	96,076	-
♦ Vadodara Bharuch Tollway Limited	-	12,000,000
♦ Western Andhra Tollways Limited	-	4,000,000
♦ L&T Samakhiali Gandhidham Tollway Limited	-	217,350
Reimbursement of expenses charged from		
♦ L&T Infrastructure Development Projects Limited	-	3,514,283
Purchase of Property, Plant & Equipment		
♦ L&T Rajkot Vadinar Tollway Limited	-	40,839
♦ L&T Samakhiali Gandhidham Tollway Limited	-	478,912
♦ L&T Deccan Tollways Limited	49,012	-
♦ L&T Interstate Road Corridor Limited	30,812	-
Sale of Property, Plant & Equipment		
♦ L&T Halol Shamlaji Tollway Limited	49,012	-
♦ L&T Interstate Road Corridor Limited	77,508	-
♦ L&T Samakhiali Gandhidham Tollway Limited	44,291	-
♦ Ahmedabad Maliya Tollway Limited	19,668	-
Inter-corporate deposit received		
♦ L&T Infrastructure Development Projects Limited	433,781,222	-
Inter-corporate deposit repaid		
♦ L&T Infrastructure Development Projects Limited	280,000,000	-
Rent paid incl. taxes		
♦ Larsen & Toubro Limited	750,520	670,765
C Notes forming part of Accounts		

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

Particulars	Amounts due (to)/from	
	As at March 31, 2019	As at March 31, 2018
Ultimate Holding Company Larsen & Toubro Limited Holding Company	(130,977,706)	(38,794,996)
L&T Infrastructure Development Projects Limited	(10,267,861)	(516,475,752)

d) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: INRNil). 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.**7) Disclosure pursuant to Ind AS 17 "Leases"**

The Company has not entered into any finance lease. The Company has taken office premises and Guest house under cancellable operating lease. These agreements are normally renewed on expiry. Lease rental expenses in respect of operating leases for the year amounting to ' Nil (Previous year ' Nil) has been included in Pre-operative expenses and an amount of '13,04,985 is charged to statement of profit & loss during the year.

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified new Ind AS on leases, Indian Accounting Standard (Ind AS) 116 which is applicable from 01/04/2019. However, there is no impact because of this change in the standard.

8) Disclosure pursuant to Ind AS 33 "Earnings per share"

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

Particulars		2018-19	2017-18
		₹	₹
Basic and Diluted			
Profit after tax as per accounts (?)	A	(575,638,793)	(58,669,163)
Weighted average number of shares outstanding	B	290,030,000	290,030,000
Basic and Diluted EPS (?)	A / B	(1.98)	(0.20)
Face value per equity share (?)		10.00	10.00

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

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

10) Disclosures as per Ind AS 37 - "Provisions, Contingent Liabilities and Contingent assets "**a) Nature of provisions:**

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

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

As per industry practice, the periodic maintenance is expected to occur after 5-7 years. The maintenance cost / bituminous overlay may vary based on the actual usage during maintenance period. Accordingly on the grounds of matching cost concept and based on technical estimates, a provision for major maintenance expenses is reviewed and is provided for in the accounts annually.

Considering that the expense to be incurred is depended on various factors including the usage, wear and tear of the highway, bituminous overlay, etc, it is not possible to estimate the exact timing and the quantum of the cashflow. However the management estimates to incur major portion of the expenditure during 2020-21. The management does not expect any re-imbursement towards the expenses to be incurred.

NOTES FORMING PART OF ACCOUNTS (Contd.)**b) Movement in provisions:**

Particulars	2018-19	2017-18
Provision for periodic major maintenance:		
Opening Balance as at the beginning of the reporting period	10,792,936	10,792,936
Additional provision	145,025,257	
Unwinding of Interest and changes in discount rate	1,292,505	
Closing Balance as at the end of the reporting period	157,110,698	10,792,936

11) Disclosure as per Ind AS 1 - "Presentation of Financial Statements"

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

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

12) Previous year figures are regrouped/reclassified wherever necessary.**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 assets							
Security Deposits	4 a	-	-	2,896,789	-	-	2,884,946
Investment in Liquid Mutual Fund units	5	898,325,660	-	-	17,299,996	-	-
Other receivables	4 b	-	-	104,449,838	-	-	109,308,688
Cash and cash equivalents	6	-	-	235,676,525	-	-	107,300,510
Government grant receivable	4 a	1,512,553,140	-	-	2,304,351,933	-	-
Total Financial Assets		2,410,878,800	-	343,023,152	2,321,651,929	-	219,494,144
Financial liabilities							
Term Loan from Banks	9	-	-	9,929,338,905	-	-	9,045,889,085
Other Current Financial Liabilities	12	-	-	643,265,953	-	-	457,154,164
Trade Payables	0	-	-	13,312,140	-	-	3,034,661
Total Financial Liabilities		-	-	10,585,916,998	-	-	9,506,077,910

Default and breaches

There are no defaults with respect to payment of principal interest, sinking fund or redemption terms and no breaches of the terms and conditions of the loan. There are no breaches during the year which permitted lender to demand accelerated payment.

14) Fair value of Financial assets 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	4 a	2,896,789	2,896,789	2,884,946	2,884,946
Other receivables	4 b	104,449,838	104,449,838	109,308,688	109,308,688
Cash and cash equivalents	6	235,676,525	235,676,525	107,300,510	107,300,510
Total Financial Assets		343,023,152	343,023,152	219,494,144	219,494,144
Financial liabilities					
Term Loan from Banks	9	9,929,338,905	9,929,338,905	9,045,889,085	9,045,889,085
Other Current Financial Liabilities	12	643,265,953	643,265,953	457,154,164	457,154,164
Trade Payables	0	13,312,140	13,312,140	3,034,661	3,034,661
Total Financial Liabilities		10,585,916,998	10,585,916,998	9,506,077,910	9,506,077,910

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

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

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

Refer Note C(15) for information on Financial Assets pledged as security.

15) Fair Value Measurement**Fair Value Measurement of Financial assets and Financial liabilities****Fair value hierarchy**

As at March 31, 2019

Financial Assets & Liabilities Measured at FV - Recurring FVM	Note No.	Level 1	Level 2	Level 3	Total
Financial assets measured at FVTPL					
Investment in Liquid Mutual Fund units	5	898,325,660			898,325,660
Government grant receivable	4 a	-	1,512,553,140	-	1,512,553,140
Total of Financial Assets		898,325,660	1,512,553,140	-	2,410,878,800

Financial Assets & Liabilities Measured at Amortized cost for which fair values are to be disclosed	Note No.	Level 1	Level 2	Level 3	Total
Financial Assets					
Security Deposits	4 a	-	2,896,789	-	2,896,789
Other receivables	4 b		104,449,838		104,449,838
Cash and cash equivalents	6		235,676,525		235,676,525
Total of Financial Assets		-	343,023,152	-	343,023,152
Financial Liabilities					
Term Loan from Banks	9	-	9,929,338,905	-	9,929,338,905
Other Current Financial Liabilities	12	-	643,265,953	-	643,265,953
Trade Payables	0	-	13,312,140	-	13,312,140
Total Financial liabilities		-	10,585,916,998	-	10,585,916,998

As at March 31, 2018

Financial Assets & Liabilities Measured at FV - Recurring FVM		Level 1	Level 2	Level 3	Total
Financial assets measured at FVTPL					
Investments in Liquid Mutual Funds	5	17,299,996	-	-	17,299,996
Government grant receivable	4 a		2,304,351,933		2,304,351,933
Total of Financial Assets		17,299,996	2,304,351,933	-	2,321,651,929
Financial Assets & Liabilities Measured at Amortized cost for which fair values are to be disclosed		Level 1	Level 2	Level 3	Total
Financial Assets					
Security Deposits	4 a	-	2,884,946	-	2,884,946
Other receivables	4 b	-	109,308,688	-	109,308,688
Cash and cash equivalents	6		107,300,510		107,300,510
Total Financial Assets		-	219,494,144	-	219,494,144
Financial Liabilities					
Term Loan from Banks	9	-	9,045,889,085	-	9,045,889,085
Other Current Financial Liabilities	12	-	457,154,164	-	457,154,164
Trade Payables	11		3,034,661		3,034,661
Total Financial Liabilities		-	9,506,077,910	-	9,506,077,910

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

The company policy is to recognise transfers into and transfers out of fair value 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 Liquid Mutual Funds	Market Approach	NAV
Security deposit	Income	Cash flow
Financial liabilities		
Term Loan from Banks	Income	Current Bank Rate
Loans from Related parties	Income	Current Bank Rate

16) Asset pledged as security

Particulars	Note no	As at March 31, 2019	As at March 31, 2018
Non Financial Assets			
Property, Plant & Equipment	1	31,234,455	35,922,338
Intangible assets	2	2,797,980	4,565,126
Intangible assets under development	3	261,865,546	261,865,546
Financial Assets			
Other Financial Assets	4 a	1,515,449,929	2,307,236,879
Cash and Cash Equivalents	6	235,676,525	107,300,510
Investments in Liquid Mutual Funds	5	898,325,660	17,299,996
Other receivables	4b	104,449,838	109,308,688
Total		3,049,799,933	2,843,499,083

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.

A. Market risk

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

i Foreign Currency Risk

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

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

ii Interest rate risk

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

The Interest risk arises to the company mainly from Long term borrowings with variable rates. The company measures risk through sensitivity analysis. Currently, Lending by Commercial Banks is at variable rate only, which is the inherent business risk.

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

Particulars	As at March 31, 2019	As at March 31, 2018
Senior Debt from Banks - Variable rate borrowings	9,929,338,905	9,045,889,085

NOTES FORMING PART OF ACCOUNTS (Contd.)**Sensitivity analysis based on average outstanding Senior Debt**

Interest Rate Risk Analysis	Impact on profit/ loss after tax	
	F.Y. 2018-19	F.Y. 2017-18
Increase or decrease in interest rate by 25 basis point	23,719,035	22,013,269

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

iii. Price risk

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

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

The company measures risk through sensitivity analysis.

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

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	898,325,660	17,299,996

Sensitivity Analysis

	Impact on profit/ loss after tax	
	F.Y. 2018-19	F.Y. 2017-18
Increase or decrease in NAV by 2%	17,966,513	346,000

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

B. 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 Liabilities					
Senior Debt from Banks	9,929,338,905	304,920,000	508,236,000	1,168,896,000	7,947,286,905

C. Credit risk

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

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

18 Disclosure pursuant to Appendix - E to Ind AS 115 - " Service Concession Arrangements"**18.1 Description and classification of the arrangement**

L&T Sambalpur Rourkela Tollway Limited is a Special Purpose Vehicle incorporated on 18th Oct 2013 for the purpose of executing and operating the project consist of Four Laning with Paved shoulders of Sambalpur- Rourkela Section of State Highway No.10 (SH-10) from KM 4.9000 to KM 167.9000 in the State of Odisha to be executed as Build, Operate and Transfer (Toll) on DBFOT (Design, Built, Finance, Operate and Transfer) pattern as per the Concession Agreement entered into with the Works Department,

NOTES FORMING PART OF ACCOUNTS (Contd.)

Government of Odisha (OWD) on 8th Nov 2013. The appointed date as specified in terms article 48.1 of the said agreement is 15th July 2014. The Concession Period is for 22 years (including the construction period of 3 years) from the Appointed Date. The company obtained provisional completion certificate upon completion of 159.570 kms on 13th March 2018 and started its commercial operations.

18.2 Significant Terms of the arrangements

18.2.1 Revision of Fees:

Fees shall be revised annually on April 1st subject to the provisions Article 27.2 of the Concession Agreement (CA).

18.2.2 Grant

The Government has agreed to provide cash support by way of outright grant equal to the sum set forth in the bid, namely, ₹465,30,00,000 in accordance to the provisions of Article 25 of the CA. Accordingly ₹258,51,00,000 will be provided as equity support and the balance ₹206,79,00,000 is provided as O&M support.

18.3 Rights of the Company for use of Project Highway

- a To demand, collect and appropriate, Fee from vehicles and persons liable for payment of Fee for using the Project Highway or any part thereof and refuse entry of any vehicle if the Fee due is not paid.
- b Right of Way, access and licence to the Site.

18.4 Obligation of the Company

- a The company shall not assign, transfer or sublet or create any lien or Encumbrance on the CA or the Concession granted or on the whole or any part of the Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by CA or the Substitution Agreement.
- b The company is under obligation to carry out the routine and periodic maintenance of Project Highway as per Article 17 of the CA.

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

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

18.6 Details of Termination

CA can be terminated on account of default of the company or Government of Odisha, Works Department in the circumstances as specified under Article 37 of the CA.

19 Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers"

19.01 Movement of Contract balances during the year

Particulars	Amount in (₹)
Contract value	507,316,841
Add/(Less): Revenue recognised during the year	(60,167,728)
Add/(Less): Progress Bills raised during the year	-
Add/(Less) Advance received during the year (net of adjustments)	-
Add/(Less) : Impairment of contract asset	-
(a) Foreseeable loss on contract assets [net of reversals]	-
(b) ECL on contract assets [net of reversals]	-
Closing balance (B)	447,149,113

Revenue recognised during the year from opening balance of contract liabilities amounts to 'NIL'. Revenue recognised during the year from the performance obligations satisfied in the previous year (arising out of contract modifications) amounts to Rs NIL and change in contract price amounts to Rs NIL .

19.02 Remaining performance obligations:

Particulars	Total	Likely conversion in revenue			
		1 yr	1-2 yr	2-5 yr	> 5 yr
Transaction price allocated to the remaining performance obligation	447,149,113	447,149,113	-	-	-

19.03 There will be no impact in the financial statement by application of IND AS 115

NOTES FORMING PART OF ACCOUNTS (Contd.)

20 Also since commercial operations of the project started w.e.f.13/03/2018, previous year figures are not comparable.

D 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

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

(c) Use of estimates and judgements

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

(d) Measurement of fair values

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

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

2 Presentation of financial statements

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

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

3 Revenue recognition

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

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

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

- b) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate. Interest Income on non-performing assets is recognised upon realization, as per guidelines issued by the Reserve Bank of India.
- c) License fees for way-side amenities are accounted on accrual basis.
- d) Fair value gains on current investments carried at fair value are included in Other income.
- e) Other items of income are recognised as and when the right to receive arises.

4 Cash and Cash Equivalents

Cash and Cash Equivalents 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)

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

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

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

Depreciation on additions / deductions is calculated pro-rata from / to the month of additions / deductions. For the assets that are transferred / sold with the group companies, depreciation is calculated upto the month preceding the month of transfer / sale within the group.

The estimated useful lives of the assets are as follows:

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

Category of Property, plant and equipment	Estimated useful life (in years)
Computers:	
Servers and systems	6
Desktops, laptops, etc,	3
Electrical installations	10

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

Toll collection rights in respect of road projects are amortized over the period of concession from the date of commercial operations using the Straight line method.

8 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.

9 Intangible assets**a) Rights under Service Concession Arrangements**

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

Toll Projects (Right to charge users)

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

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

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

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

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

10 Foreign currency transactions and translations

The reporting currency of the company is Indian Rupee.

Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rate applicable on the date of transaction.

At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each balance sheet date at the closing rate are recognised as income or expense in the period in which they arise.

NOTES FORMING PART OF ACCOUNTS (Contd.)

11 Government grants

Grant receivable from the Government is reduced from the project cost at its discounted value and the corresponding amount is shown as a financial asset receivable. Further till the year of the grant receivable the finance component is recognised as a finance income in the profit & loss account.

12 Investments

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

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

13 Employee benefits

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

(i) Short term employee benefits

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

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

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

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

(ii) Post employment benefits

(a) Defined contribution plans:

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

(b) Defined benefit plans:

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

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

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

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

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

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

(iii) Other long term employee benefits:

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

(iv) Termination benefits

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

14 Borrowing costs

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

15 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.

Operating leases:

- (a) Property, plant and equipment acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.
- (b) Property, plant and equipment leased out under operating leases are continued to be capitalised by the Company. Rental income is recognised on a straight-line basis over the term of the relevant lease.

16 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.

17 Income taxes

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

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

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

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

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

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

18 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:

NOTES FORMING PART OF ACCOUNTS (Contd.)

- (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.

19 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.

20 Financial Instruments

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

a) Financial Assets

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

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

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

A financial asset is primarily derecognised when:

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

Impairment of financial assets: The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables and other contractual rights to receive cash or other financial asset and financial guarantees not designated as at FVTPL. For the purpose of measuring expected

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

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

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

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

21 Insurance claims

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

22 Operating Cycle

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

23 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.

24 Commitments

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

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

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

As per our report attached

For and on behalf of the Board

FOR M.K.DANDEKER & CO

Chartered Accountants

(Firm registration no.000679S)

by the hand of

S. POOSAIDURAI

Partner

Membership No. 223754

N. SHAMBHAVI

Company secretary

M. No. A56181

K.C. RAMAN

Chief Financial Officer

R.G. RAMACHANDRAN

Director

DIN: 02671982

KARTHIKEYAN T.V.

Director

DIN: 01367727

Place: Chennai

Date: 22nd April 2019