JORABAT SHILLONG EXPRESSWAY LIMITED

ANNUAL REPORT

2018-19

Jorabat Shillong Expressway Limited

Regd. Office : The IL&FS Financial Center, Plot C-22, G Block, Bandra Kurla Complex, Mumbai- 400051
Tel : 022-26533333 **Fax :** 022-26523979
CIN : **U45203MH2010PLC204456**

NOTICE OF THE 9TH (NINTH) ANNUAL GENERAL MEETING

Notice is hereby given that the 9th (ninth) Annual General Meeting of the Members of Jorabat Shillong Expressway Limited will be held at shorter notice on Friday, June 19, 2020, at 11.30 a.m. through Video Conference Mode at the Registered Office of the Company at The IL&FS Financial Centre, Plot C-22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 which shall be deemed to be venue of the meeting to transact the following business:

ORDINARY BUSINESS:

(1) To receive, consider and adopt the Audited Financial Statement containing the Balance Sheet as at March 31, 2019 and Statement of Profit & Loss Account, Cash Flow Statement, notes and schedules forming part of the Financial Statement for the year ended March 31, 2019 on that date together with the Report of the Directors and the Auditors thereon.

"**RESOLVED THAT** pursuant to section 134 of the Companies Act, 2013 and Rules framed thereunder, the Financial Statement containing the Balance Sheet as at March 31, 2019 and Statement of Profit & Loss, Cash Flow Statement, notes and schedules forming part of the Financial Statement for the Financial Year ended 31st March, 2019 together with the Directors' Report and Auditors' Report thereon be and are hereby received, considered and adopted."

(2) To appoint a Director in place of Mr. Vijay Kini (DIN: 06612768), who retires by rotation and being eligible offers himself for re-appointment :

"**RESOLVED THAT** Mr. Vijay Kini (DIN: 06612768), who retires by rotation, and being eligible, offers himself for re-appointment be and is hereby re-appointed as Director"

(3) To re-appoint M/s MKPS & Associates (Firm Registration No.: 302014E), Chartered Accountants, Statutory Auditors of the Company, for a period of two financial years (FY 2019-20 to FY 2020-21) and to authorise the Board of Directors to fix their remuneration and in this regard, to pass the following resolution as an ordinary resolution thereof:

"**RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s MKPS & Associates, Chartered Accountants, (Firm Registration No.: 302014E), be and are hereby appointed as the Statutory Auditors of the Company for a period of two financial years to hold office from the conclusion of the ensuing AGM till the conclusion of the AGM of the Company to be held for the Financial

Year 2020-21 and the Board of Directors be and are hereby authorized to determine their remuneration.**”**

SPECIAL BUSINESS:

(4) To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

(i) “**RESOLVED THAT** pursuant to the provisions of Sections 152, 161, 164 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, and subject to the provisions of the Articles of Association of the Company, Mr. Rajnish Saxena (DIN: 05188337) who was appointed as Nominee (Additional Non-Executive) Director of the Company effective March 19, 2019 upto the date of the ensuing Annual General Meeting, be and is hereby appointed as Director of the Company liable to retire by rotation.”

(ii) “**RESOLVED THAT** pursuant to the provisions of Sections 152, 161, 164 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, and subject to the provisions of the Articles of Association of the Company, Mr. Sachin Joshi (DIN: 08478253) who was appointed as Nominee (Additional Non-Executive) Director of the Company effective October 04, 2019 upto the date of the ensuing Annual General Meeting, be and is hereby appointed as Director of the Company liable to retire by rotation.”

(5) To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s) or re-enactment(s) thereof, for time being in force), the remuneration payable to M/s. Chivilkar Solanki & Associates, Cost Accountants, Mumbai (Firm Registration No.: 000468) as Cost Auditors to conduct the audit of cost records of the Company for Financial Year 2019-20, as approved by the Board of Directors of the Company, amounting to Rs. 85,000/- (Rupees Eighty Five Thousand) plus tax as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby approved.”

For and on behalf of the Board of Directors of
Jorabat Shillong Expressway Limited

SD/-

Vijay Kini
Nominee Director
DIN: 06612768

Date: June 18, 2020
Mumbai

Registered Office:
The IL&FS Financial Centre
Plot No.C-22, G Block, Bandra-Kurla Complex
Bandra (East), Mumbai 400 051

NOTES:

(1) In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed. In this regard, the Ministry of Corporate Affairs has allowed companies to conduct Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM) and issued Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, prescribing the procedures and manner of conducting the Annual General Meeting.

(2) In view of the aforementioned, the 9th AGM of the Members is being held through VC/OAVM. Members are requested to join and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is mentioned in Note No. 8.

(3) Since, the AGM is being conducted through VC/OAVM, there is no provision for appointment of proxies. Accordingly, the facility for appointment of proxies by the members will not be available.

(4) Corporate Members intending to authorize their representative to attend and vote at the meeting are requested to ensure that the certified true copy of the Board resolution, power of attorney or such other valid authorizations under Section 113 of the Companies Act, 2013, authorizing them to attend and vote at the meeting is provided by email at itnl.secretarial@ilfsindia.com prior to the commencement of the Meeting. In terms of the provisions of the Companies Act, 2013, the representatives of Corporate Members without proper authorization, such as Board resolution or power of attorney or such other valid authorization, may not be able to attend the meeting.

(5) An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting is annexed hereto.

(6) All the documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the Members and will be made available via electronic mode prior to the date of the AGM. Members may send their request for inspection by sending an email at itnl.secretaral@ilfsindia.com for providing the documents.

(7) The relevant details as required under Secretarial Standard 2 (SS-2) for person seeking re-appointment as Director is also annexed.

(8) The details of the process and manner for participating in Annual General Meeting through Video conferencing are explained herein below:

a) This Annual General Meeting shall be called through Video Conferencing mode. Members are requested to participate in the meeting as follows:

(i) Please connect to the site by clicking on the following link: https://us02web.zoom.us/j/89811829094?pwd=R1VFaVVSenN2V01nblBDL2Q0VlhRQT09

(ii) Join the Meeting by inserting the details as follows:

(i) Meeting ID: 898 1182 9094
(ii) Password: 689122

b) Members can participate in AGM through smart phone/laptop, however, for better experience and smooth participation it is advisable to join the Meeting through Laptops connected through broadband.

c) Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

d) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Jorabat Shillong Expressway Limited

Regd. Office : The IL&FS Financial Center, Plot C-22, G Block, Bandra Kurla Complex, Mumbai- 400051
Tel : 022-26533333 **Fax :** 022-26523979
CIN : **U45203MH2010PLC204456**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

Item No. 2:

The details as prescribed under Secretarial Standard -2 (SS-2) issued by the Institute of Company Secretaries of India are tabled below:-

Sr. No.	Particulars
Name	Mr. Vijay Kini
Age/DOB	31/07/1967
Qualification	AICWAI, M.Com
Experience	
Terms and Conditions of Appointment or Re-Appointment	-
Date of First appointment on the Board	21/01/2015
Shareholding in the Company	10
Relationship with other Directors, Manager and KMP	None
No. of Board meetings attended during the year	4
Other Directorships	1. Jharkhand Road Projects Implementation Company Limited 2. Hazaribagh Ranchi Expressway Limited 3. North Karnataka Expressway Limited 4. M P Toll Roads Limited (Under Liquidation) 5. GRICL Rail Bridge Development Company Limited 6. Ranchi Muri Road Development Limited 7. East Hyderabad Expressway Limited 8. Pario Developers Private Limited 9. Thiruvananthpuram Road Development Company Limited
Membership/Chairmanship of the Committees of Board held in other company	1. Hazaribagh Ranchi Expressway Limited (i) Audit Committee (ii) Nomination & Remuneration Committee 2. North Karnataka Expressway Limited

	(i) Audit Committee (ii) Nomination & Remuneration Committee (iii) Corporate Social Responsibility Committee 3. East Hyderabad Expressway Limited (i) Audit Committee (ii) Nomination & Remuneration Committee 4. Thiruvananthapuram Road Development Company Limited (i) Audit Committee (ii) Nomination & Remuneration Committee (iii) Corporate Social Responsibility Committee 5. Jharkhand Road Projects Implementation Company Limited (i) Audit Committee (ii) Nomination & Remuneration Committee (iii) Committee of Directors

Item No. 4

(i) The Board of Directors of the Company has appointed Mr. Rajnish Saxena (DIN: 05188337) as a Nominee (Additional Non –Executive) Director representing IL&FS Transportation Networks Limited (ITNL), the holding Company with effect from March 19, 2019 pursuant to the provisions of Section 152, 161, 164 of the Companies Act, 2013. In terms of the provisions of Section 161 of the Act, Mr. Rajnish Saxena (DIN: 05188337) would hold office up to the date of the ensuing Annual General Meeting.

In terms of Section 160 and any other applicable provisions of the Companies Act, 2013 and read with rules under the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), he is proposed to be appointed as a Nominee Director of the Company with effect from the date of this Annual General Meeting.

The Board considers that Mr. Rajnish Saxena (DIN: 05188337) continued association would be of immense benefit to the Company and it is desirable to continue to avail services of his as a Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Rajnish Saxena (DIN: 05188337) as Nominee Director, for the approval by the Members of the Company.

Except Mr. Rajnish Saxena (DIN: 05188337) none of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 4.

The details as prescribed under Secretarial Standard -2 (SS-2) issued by the Institute of Company Secretaries of India are tabled below:-

Sr. No.	**Particulars**
Name	Mr. Rajnish Saxena
DIN	05188337
Date of Birth & Age	08/05/1967 52 years
Qualification	B.E. (Civil)
Experience	29 Year
Date of first appointment in the Board	March 19, 2019
Shareholding in the Company	NIL
Relationship with other Directors, Manager and KMP	NIL
No. of Board Meetings attended during the year	1
Other Directorships	1. ITNL Road Infrastructure Development Company Limited 2. Sikar Bikaner Highway Limited 3. Barwa Adda Expressway Limited 4. Baleshwar Kharagpur Expressway Limited 5. Jharkhand Road Projects Implementation Company Limited 6. Hazaribagh Ranchi Expressway Limited 7. Kiratpur Ner Chowk Expressway Limited

Membership/ Chairmanship of the Committees of Board held in another Company	-

(ii) The Board of Directors of the Company has appointed Mr. Sachin Joshi (DIN: 08478253) as a Nominee (Additional Non –Executive) Director representing IL&FS Transportation Networks Limited (ITNL), the holding Company with effect from October 04, 2019 pursuant to the provisions of Section 152, 161, 164 of the Companies Act, 2013. In terms of the provisions of Section 161 of the Act, Mr. Sachin Joshi (DIN: 08478253) would hold office up to the date of the ensuing Annual General Meeting.

In terms of Section 160 and any other applicable provisions of the Companies Act, 2013 and read with rules under the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), he is proposed to be appointed as a Nominee Director of the Company with effect from the date of this Annual General Meeting.

The Board considers that Mr. Sachin Joshi (DIN: 08478253) continued association would be of immense benefit to the Company and it is desirable to continue to avail services of his as a Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Sachin Joshi (DIN: 08478253) as Nominee Director, for the approval by the Members of the Company.

Except Mr. Sachin Joshi (DIN: 08478253) none of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 4.

The details as prescribed under Secretarial Standard -2 (SS-2) issued by the Institute of Company Secretaries of India are tabled below:-

Regd. Office : The IL&FS Financial Center, Plot C-22, G Block, Bandra Kurla Complex, Mumbai- 400051
Tel : 022-26533333 **Fax :** 022-26523979
CIN : **U45203MH2010PLC204456**

Sr. No.	Particulars
Name	Sachin Joshi
Age/DOB	01/01/1978
Qualification	B.com, MBA
Experience	
Terms and Conditions of Appointment or Re-Appointment	Appointed as Nominee Director
Date of First appointment on the Board	04/10/2019
Shareholding in the Company	NIL
Relationship with other Directors, Manager and KMP	None
No. of Board meetings attended during the year	0
Other Directorships	1. ITNL Road Infrastructure Development Company Limited 2. Fagne Songadh Expressway Limited 3. Futureage Infrastructure India Limited 4. Hazaribagh Ranchi Expressway Limited
Membership in Committees	

Item No. 5

The Board of Directors, had approved the appointment of M/s. Chivilkar Solanki & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for Financial Year (FY) 2019-20.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor for FY 2019-20 is required to be approved by the Members of the Company. Accordingly, the members are requested to approve the remuneration payable to the Cost Auditor for the financial year ending March 31, 2020, as set out at Item No. 5 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the said Resolution. The Board of Directors recommend the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

Regd. Office : The IL&FS Financial Center, Plot C-22, G Block, Bandra Kurla Complex, Mumbai- 400051
Tel : 022-26533333 **Fax** : 022-26523979
CIN : **U45203MH2010PLC204456**

For and on behalf of the Board of Directors of
Jorabat Shillong Expressway Limited

SD/-

Vijay Kini
Nominee Director
DIN: 06612768

Date: June 18, 2020
Mumbai

Registered Office:
The IL&FS Financial Centre
Plot No.C-22, G Block, Bandra-Kurla Complex
Bandra (East), Mumbai 400 051

BOARD'S REPORT

To,
The Shareholders,
Jorabat Shillong Expressway Limited

Your Directors have pleasure in presenting the Ninth Annual Report along with the Audited Statements of Accounts for the year ended March 31, 2019.

FINANCIAL HIGHLIGHTS:

The financial highlights of the Company are as under:

(Rupees in Million)

Particulars	**For the Year ended March 31, 2019**	**For the Year ended March 31, 2018**
Total Income	1,182.02	3,800.33
Less: Total Expenditure	1730.27	2230.65
Less : Provision for Impairment	1622.84	-
Profit before finance charges, Tax, Depreciation/Amortization (PBITDA)	2171.09	1569.68
Less : Finance Charges	2502.26	1,570.82
Profit before Depreciation/Amortization (PBTDA)	-4673.35	-1.15
Less : Depreciation	-	-
Net Profit before Taxation (PBT)	-4673.35	-1.15
Provision for taxation	NIL	36.07
Profit/(Loss) after Taxation (PAT)	-4763.35	-37.21
Provision for proposed dividend	-	-
Dividend tax	-	-

DIVIDEND:

Considering the amount of loss incurred during the financial year, the Company is unable to pay dividend to the equity shareholders. Accordingly, the Board does not recommend any dividend for the year ended March 31, 2019.

RESERVES:

The Company has not transferred any amount to the Reserves for the financial year ended March 31, 2019.

STATE OF COMPANY'S AFFAIRS:

There were no significant changes in the state of affairs of the Company during the financial year under review that are not otherwise disclosed in this report.

OPERATIONS OF THE COMPANY:

1. During the year under review, your Company continued the operations and maintenance work of the four laning of the Jorabat to Shillong stretch of NH-9 in the state of Assam & Meghalaya comprising of 61.8 km on Design Build Finance Operate & Transfer (DBFOT) ("the Project") on annuity basis awarded by the National Highways Authority of India ("the Authority"). The Concession Agreement was signed with the Authority on July 16, 2010 and commercial operations commenced on January 28, 2016. The Project received final completion certificate for full length with effect from August 30, 2019. The Company received annuity payment of ₹ 139.85 Crores during the year under review and a sum of ₹ 130.08 Crores for the current year 2019-20.

2. The Company had filed compensation claims of Rs. 803.23 Crores with the Authority towards costs incurred on account of delay in handing over the land. Further, due to failure on part of Authority to pay the claims, the Company had also invoked arbitration proceedings. However, the proceedings before the Arbitration Tribunal were taking a long time and therefore it was decided to settle the matter with mutual understanding and the arbitration was kept in abeyance. The Company has thereafter signed a settlement agreement with the Authority in the month of January 2020 for receiving an amount of Rs 252.15 Crore towards full and final claim. The amount has been received by the Company in the month of February 2020.

3. The Company is part of the Infrastructure Leasing and Financial Services Limited ("IL&FS") group. The Board of Directors of IL&FS has been reconstituted pursuant to the orders passed by the National Company Law Tribunal, Mumbai Bench ("NCLT") in Company Petition No. 3638 of 2018 filed by the Union of India, acting through the Ministry of Corporate Affairs under Sections 242(1) and 242(2) of the Companies Act, 2013, as amended ("Companies Act") on the grounds of mismanagement of public funds

by the erstwhile Board of IL&FS and the affairs of IL&FS being conducted in a manner prejudicial to the public interest.

4. Consequently, the Board of Directors of the immediate holding company, IL&FS Transportation Networks Limited (ITNL) has also undergone change with the appointment of nominees of the New Board of IL&FS and cessation of the nominees of the erstwhile Board of IL&FS.

5. Additionally, the Hon'ble National Company Law Appellate Tribunal (NCLAT) passed an Order on October 15, 2018 ("the Interim Order") pursuant to which it stayed various proceedings and actions against the Company and its Group Companies imposing moratorium on the creditors of IL&FS (Ultimate Parent Company) and its 348 group companies, which includes the Company. The Interim Order enabled value preservation of the IL&FS Group's assets and provides time to the New Board to evaluate, prepare and implement a resolution plan for its group companies including the Company in an orderly manner, keeping in mind the interest of the various stakeholders.

6. The Company defaulted in servicing its debt and interest dues and as on March 31 2019. Based on the interim order, the Company has stopped servicing its debts post October 15, 2018. The Company has also not accrued interest (including Penal Interest) and other charges effective October 16, 2018 to March 31, 2019. This also resulted in the downgrading of the credit rating of the Company by the rating agencies from CARE BB(SO); Credit Watch with Negative Implications) & IND BB(SO); (Placed on Rating Watch Evolving) to CARE D & IND D respectively. NCLAT vide its order dated March 12, 2020 has upheld its Interim Order of October 15, 2018 under which it has specified October 15, 2018 as the date of initiation of the Resolution Process for the IL&FS Group including the Company

7. Further, NCLAT vide its order dated February 11, 2019 has also classified the Company under the "Red Category" based on a 12 month cash flow solvency test indicating that it is not able to meet all obligations (financial and operational) including the payment obligations to senior secured financial creditors. Accordingly, the Company is permitted to make only those payments necessary to maintain and preserve the going concern status.

8. Since then, the New Board of IL&FS had been working on a resolution plan which inter alia, involved sale of assets/businesses/companies owned by IL&FS Group. The framework and the strategies for effective capital management, thus, will be formulated post the implementation of the Resolution Plan. Presently, the Capital and Financial Management activities are restricted to make only those payments necessary to maintain and preserve the going concern status. NCLAT vide its order dated March 12, 2020 has upheld its Interim Order of October 15, 2018 under which it has specified October 15,

2018 as the date of initiation of the Resolution Process for the IL&FS Group including the Company.

9. During the current year, as per the resolution plan worked out by the IL&FS Board, a public Expression of Interest (EOI) was invited for divestment of entire stake of immediate holding company i.e. ITNL in the Company. However, the since price bid received from prospective investor was below the fair market valuation, it was not accepted by the IL&FS Board. The IL&FS Board is now evaluating the Infrastructure Investment Trust ("InvIT") structure to provide better valuation proposition to all the stakeholders of the Company. Pursuant to the aforesaid, the financials of the Company have been prepared on the basis of going concern assumption as the business operations of the Company will continue in foreseeable future.

10. The NCLT vide its order dated January 1, 2019, had allowed a petition filed by the Union of India, for re-opening of the books of accounts and re-casting the financial statements under the provisions of Section 130 of the Companies Act, 2013 for the financial years from 2012-13 to 2017-18, of IL&FS and its subsidiaries including ITNL, the immediate holding company. The said exercise is going on and not yet concluded. Pending completion of the exercise the Management is not able to determine any impact on the financial statements of the Company.

11. The Ministry of Corporate Affairs (MCA), Government of India, has vide its letter dated October 1, 2018 initiated investigation by Serious Fraud Investigation Office (SFIO) against IL&FS and its group companies under Section 212 (1) of the Companies Act, 2013. As a part of its investigation, SFIO has been seeking information from the Company on an on-going basis. The implications, if any, arising from the aforesaid developments would be known only after the aforesaid matters are concluded and hence are not determinable at this stage.

12. The New IL&FS Board in January, 2019 initiated a forensic examination for the period from April 2013 to September 2018, in relation to the certain companies of the IL&FS Group, and has appointed an independent third party for performing the forensic audit and to report the findings. The Company is not in the list of companies identified for forensic audit. The independent third party has submitted their interim report in relation to the audit of ITNL, the immediate holding Company and the observations contained therein related primarily to the operations of ITNL.

13. Pursuant to the Resolution Framework for the IL&FS Group submitted to the Ministry of Corporate Affairs, Government of India which, in turn, had filed with the Hon'ble National Company Law Appellate Tribunal ("NCLAT"), the creditors of the Company were invited to submit their claims as at October 15, 2018 with proof to a Claims Management Advisor ("CMA") appointed by the IL&FS Group. The amounts claimed by the financial and operational creditors are assessed for admission by the CMA. The CMA, vide their various communications to the management of the Company, have submitted their report on the status of the claims received and its admission status. The report is

subject to updating based on additional information / clarification that may be received from the creditors in due course.

EXTRACT OF THE ANNUAL RETURN:

In accordance with Section 134(3)(a) of the Companies Act, 2013, the extract of annual return for the financial year ended March 31, 2019 in Form No. MGT-9 is enclosed as Annexure A of this Report.

CORPORATE GOVERNANCE:

(i) Board of Directors and Meetings held:

As on date, the Board of Directors comprise of the following Directors:

1. Mr. Vijay Kini - Nominee Director
2. Mr. Rajnish Saxena - Additional Nominee Director
3. Mr. Sachin Joshi - Additional Nominee Director

Mr. Sachin Joshi was appointed as Additional Director effective October 04, 2019.

During the year under review, following Directors had resigned as members of the Board on the dates mentioned against their names:

1. Mr. Divakar Marri, Director representing Ramky Infrastructure Limited effective July 27, 2018
2. Mr. Y. R. Nagaraja, Director representing Ramky Infrastructure Limited effective August 16, 2018
3. Mr. Srikanth Reddy, Director representing Ramky Infrastructure Limited effective August 16, 2018
4. Mr. Milan Chakravarti, Independent Director effective December 24, 2018
5. Mr. Goutam Mukherjee, Independent Director effective December 24, 2018
6. Mr. S. C. Sachdeva, Director effective March 20, 2019

Additionally, Mr. M. B. Bajulge who was appointed as Nominee Director effective March 19, 2019 resigned effective April 05, 2019 and Mr. Hemant Kumar Labh who was appointed as Additional Nominee Director effective March 19, 2019 resigned effective September 03, 2019.

In the matter of Infrastructure Leasing and Financial Services Limited (IL&FS) MA 1054/2019 in the Company Petition No. 3638/2018, the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated 26.04.2019 has granted the dispensation regarding the appointment of

Independent Directors and Women Directors pursuant to Section 149 of the Companies Act, 2013. In view thereof, the Company has not appointed Independent Directors.

During the year under review, the Board of Directors met 4 times, namely on April 27, 2018, August 17, 2018, December 13, 2018 and March 28, 2019. The details of Meetings and attendance of the Directors are provided below:

Sr. No	Name of Directors	No. of Board Meetings held during tenure	Meetings attended
1.	Mr. Vijay Kini	4	3
2.	Mr. M. B. Bajulge	4	3
	Mr. S. C. Sachdeva	3	2
3.	Mr. Milan Chakravarti	3	3
4.	Mr. Goutam Mukherjee	3	3
5.	Mr. Divakar Marri	1	0
6.	Mr. Y. R. Nagaraja	1	0
7.	Mr. Srikanth Reddy	1	0
8.	Mr. Hemant Kumar Labh	1	0
9.	Mr. Rajnish Saxena	1	1

(ii) Directors liable to retire by rotation

Mr. Vijay Kini (DIN: 06612768) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment.

(iii) Audit Committee and Nomination & Remuneration Committee

The Ministry of Corporate Affairs vide notification number G.S.R. 839(E) dated July 5, 2017 has amended Rule 4 (1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 thereby dispensing the requirement for appointment of Independent Director by (a) a joint venture company; (b) wholly owned subsidiary and (c) a dormant company. Since the Company is an unlisted wholly owned subsidiary of IL&FS Transportation Networks Limited, a public listed company, it is eligible for exemption provided under the provisions of Section 177 and 178 of the Companies Act, 2013. In view thereof, the Company is not required to constitute Audit Committee and Nomination & Remuneration Committee.

Prior to the above amendment, the Audit Committee met 2 times on April 27, 2018 and August 17, 2018 during the year under review. The details of the Meetings and attendance of Committee Members are provided below:

Sr. No.	Name of Directors	No. of Meetings held during tenure	Meetings attended
1	Mr. Vijay Kini	2	2
2	Mr. Goutam Mukherjee	2	2
3	Mr. Milan Chakravarti	2	2

The recommendations if any, made by the Audit Committee were accepted by the Board of Directors.

During the year under review, the Nomination & Remuneration Committee met on April 25, 2018 which was attended by all the Members of the Committee namely, Mr. Milan Chakravarti, Mr. Goutam Mukherjee and Mr. Vijay Kini.

(iii) Corporate Social Responsibility Committee

Your Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within the purview of the provisions of Section 135 of the Companies Act, 2013.

(iv) Key Managerial Personnel

During the year under review, Mr. Nachiket Sohani, Company Secretary and Key Managerial Personnel resigned effective September 20, 2018. Mr. Aalok Anandmani resigned as Manager and Key Managerial Personnel effective September 30, 2018.

ANNUAL GENERAL MEETING (AGM):

In consideration of the current state of affairs and challenges being faced by the Company, the Ministry of Corporate Affairs (MCA) had granted extension of time for convening of AGM upto November 15, 2019. However, since the financials of the Company for the year ended March 31, 2019 could not be completed till then, the AGM could not be convened within the extended time i.e. before November 15, 2019.

Considering the challenges faced by many companies within the IL&FS Group including the Company in preparation of financials for the year ended March 31, 2019, an application has been filed by IL&FS before the National Company Law Tribunal (NCLT), Mumbai seeking further extension of time upto June 30, 2020 for holding the AGM of the Company the decision of the NCLT is awaited.

IMPAIRMENT OF ASSET:

IL&FS Board has been working on a resolution plan, with a view to enable value preservation for stakeholders of IL&FS Group. The resolution plan, inter alia, involves sale of assets/businesses/companies owned by IL&FS Group. With the above background, the Board of the Company had authorized IL&FS Board to take necessary actions in this regard. Accordingly, the IL&FS Board had on December 21, 2018 invited Expression of Interest (EOIs) for divestment of the holding company's entire stake in the Company.

Consequent thereto, IL&FS has received a single bid on August 30, 2019 of Rs 916.2 Crore towards lump sum consideration for acquiring the shares of the Company held by the Holding Company.

The Board of Directors of ITNL at their meeting held on October 30, 2019 have accepted the bid value of Rs. 916.2 Crore and accepted the same subject to necessary approvals from various regulators, Committee of Creditors, NCLAT and all other authorities as may be necessary.

For the purpose of testing of impairment of assets, bid value of Rs 916.2 Crore has been considered as Enterprise Value of the financial assets as on March 31, 2019 in the books for the purpose of preparation of financial statement as approved by the Board of ITNL. Accordingly, total impairment as on March 31, 2019 amounting to Rs 162.2 Crore has been charged to the Profit & Loss Account.

DIRECTORS' RESPONSIBILITY STATEMENT:

As stipulated under clause (c) of sub-section (3) of Section 134 read with sub-section (5) of Section 134 of the Companies Act, 2013, your Directors confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) they 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 loss of the company for that period;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the annual accounts on a going concern basis;

(e) they have laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

DECLARATION BY INDEPENDENT DIRECTOR(S):

All the Independent Directors of the Company resigned during the year under review and therefore the same is not provided.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

The Board has adopted a Policy on appointment and remuneration of Directors which includes the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Sub-section (3) of Section 178 of the Companies Act, 2013. There has been no change carried out in the Policy adopted by the Board. None of the Directors have been paid any remuneration except to the extent of sitting fees if any paid to them.

STATUTORY AUDITORS:

M/s MKPS & Associates, Chartered Accountants, Statutory Auditors (Firm Registration No. 302014E), were re-appointed as the Auditors of the Company for a period of five years to hold office from the conclusion of the Annual General Meeting (AGM) held on September 30, 2014 till the conclusion of the AGM of the Company to be held in the year 2019. Since, the term of the Statutory Auditors expires in the ensuing AGM of the Company, it is proposed to re-appoint M/s MKPS & Associates, Chartered Accountants, Statutory Auditors for a period of 2 years to hold office from the conclusion of the ensuing AGM till the conclusion of the 11th AGM of the Company to be held in the year 2021. A Certificate confirming their eligibility under Section 141 of the Companies Act, 2013 and Rules framed thereunder to be re-appointed as Auditors have been received from the Auditors.

Further, there have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government. The Management Representation on the qualifications/ observations/ remarks of Statutory Auditor pertaining to year ended March 31, 2019 are as under:

The Management Representation on the qualifications/ observations/ remarks of Statutory Auditor pertaining to year ended March 31, 2019 are as under:

Sr. No	Qualifications	Responses to Audit Qualifications / observations
1	<u>Basis of Disclaimer of Opinion #1:</u> As mentioned in Note No. 31, the National Company Law Tribunal has ordered for reopening and recasting of the books of accounts for the financial years 2012-13 to 2017-18 of the holding company IL&FS Transportation Networks Limited, ultimate holding company IL&FS India Limited and a subsidiary thereof viz. IL&FS Financial Services Limited. The process for the same is still ongoing and hence the resultant / consequent impact, if any, that it may have on the financial statements of the company is not presently determinable	An order received from NCLT dated January 01, 2019 has allowed a petition by the Union Of India for reopening of the books of accounts and recasting of the financial statements under Section 130 of the Companies Act for the five financial years between 2012-13 to 2017-18 of IL&FS and its Subsidiaries IFIN and ITNL. Accordingly, the NCLT has appointed firms to carry out the re-opening and recasting of financial statements of these entities which is under progress. The Company, based on its current understanding, believes that the above exercise would not have a material impact on the financial results of the Company. The implications, if any, arising from the aforesaid developments would be known only after the aforesaid matters are concluded and hence are not determinable at this stage. The company will make the required adjustments, if any, once the recasting process of these entities is completed.
2	<u>Basis of Disclaimer of Opinion #2:</u> As mentioned in Note No. 32 to the accompanying financial statements, the Ministry of Corporate Affairs, Government of India, has initiated investigation by Serious Fraud Investigation Office	The MCA, Government of India, has vide its letter dated October 01, 2018 initiated investigation by the Serious Fraud Investigation Office (SFIO)

	(SFIO) against IL&FS Ltd. and its group companies under Section 212 (1) of the Companies Act, 2013. As a part of its investigation, SFIO has been seeking information from the Company on an ongoing basis. The investigation is in progress and the implications if any, are not determinable at this stage. Consequently, the accompanying financial statements do not include any possible adjustments arising in this regard.	against IL&FS and its group companies under Section 212 (1) of the Companies Act, 2013. As a part of its investigation, SFIO has been seeking information from the Company on an ongoing basis. The investigation is in progress and the Company is fully cooperating with the investigating agencies. The implications, if any, arising from the aforesaid developments would be known only after the aforesaid matters are concluded and hence are not determinable at this stage.
3	<u>Basis of Disclaimer of Opinion #3:</u> As mentioned in Note No. 33 of the financial statements, the books of accounts of IL & FS India Ltd. (the ultimate holding company) and certain companies of the group are being subject to a forensic audit by an independent third party. The report of such forensic audit is not available for our perusal, as explained the same is currently ongoing;	The New Board of IL&FS, in January 2019, has initiated a forensic examination for the period from April 2013 to September 2018, in relation to certain companies of the Group, and has appointed an independent third party for performing the forensic audit and to report their findings to the New Board of IL&FS. While no specific forensic audit has been initiated for the Company, such an audit has been conducted for ITNL (the parent company) and against its projects. The independent third party has submitted their interim report and the observations contained therein related primarily to operations of ITNL. Given that the report is interim in nature and pending full

		completion of the examination, specific adjustment if any related to the Company arising from the said forensic audit of ITNL, has not been determined. Hence no adjustments have been recorded in these financial statements for any consequential effects / matters that may arise in this regard. The Company will make necessary adjustments, if any once the process is completed.
4	<u>Basis of Disclaimer of Opinion #4:</u> As mentioned in Note No. 37 to the accompanying IND AS financial statements, consequent upon the changes in management estimates w.r.t. maintenance costs expected to be incurred over balance concession period, annuity amount to be received, rate of return on financial assets etc. has resulted into modification loss of Rs. 1805.76 Million charged to the statement of profit and loss. Considering the ongoing divestment process, these revised estimates for future period(s) are subject to reassessment of expenses / revenue post completion of the divestment process.	For any annuity project, in accordance with the principles of IND-AS, the impact of any change in the estimated cash flow need to be accounted as modification gain or loss. In view change in the estimates of routine and periodic maintenance cost and also doubtful recovery out of balance amount of first annuity has resulted in modification loss of Rs. 1805.76 Mn.
5	<u>Basis of Disclaimer of Opinion #5:</u> The company has recognised impairment in respect of the financial assets by comparing the bid received by the holding company for disposal of its stake in the company with the net assets of the company as at September 30, 2018. The same in our opinion, is not in compliance with the requirements of Ind AS 36 on Impairment of Assets which require that the value in use or value in exchange of the asset is to be compared with the carrying amount of the asset. (Refer Note No. 30 of the accompanying financial statements).	IL & FS Board has been working on a resolution plan, with a view to enable value preservation for stakeholders of IL & FS group. The resolution plan, inter alia, involves sale of assets / business / companies owned by IL & FS Group. Further, in this regard, IL & FS Board has on December 21, 2018 invited public Expression of interest (EOI) as part of the

		divestment process. The Company has received a bid from an external party and the same has been accepted by the Board of Directors of ITNL and IL&FS (the ultimate holding Company). Shortfall in the value of the bid as compared to the carrying cost of the assets in the books of the Company as on March 31, 2019 has been recognized as impairment in the value of these assets in these financial statement.
6	Basis of Disclaimer of Opinion #6: As referred to in Note No. 35 of the accompanying financial statements, the company is not in compliance with certain requirement / provisions of applicable laws and regulations. Pending final determination by management of the financial and other consequences arising from such non compliances, no adjustment has been made to the accompanying financial statements.	Pursuant to various developments described hereinabove, the Company has not been able to comply with certain requirement applicable under the Companies Act, 2013 such as appointment of Independent Directors, Key Management Personnel. These non-compliances have been reported by the Secretarial Auditors of the Company.
7	Emphasis of Matter #1: As further detailed at Note No. 34, the creditors of the company have submitted their claims to a Claim Management Advisor ("CMA") appointed by IL&FS, ultimate holding company. As stated in the said note, management of the company is in the process reviewing the claims and they are subject to updation, hence its consequential impact is unascertainable.	Pursuant to the "Third Progress Report – Proposed Resolution Framework for the IL&FS Group" dated December 17, 2018 and the "Addendum to the Third Progress Report – Proposed Resolution Framework for IL&FS Group" dated January 15, 2019 ("Resolution Framework Report") submitted by the

		Company to the Ministry of Corporate Affairs, Government of India which, in turn, was filed with the Hon'ble National Company Law Appellate Tribunal ("NCLAT"), the creditors of the Company were invited (via advertisement(s) dated May 22, 2019) to submit their claims as at October 15, 2018 with proof, on or before 05 June, 2019 (subsequently extended till September 22, 2019) to a Claims Management Advisor ("CMA") appointed by the IL&FS group. The amounts claimed by the financial and operational creditors are assessed for admission by the CMA. Management of the Company is in the process of reviewing such claims, and reconciliation of such claims with the corresponding amounts as per the Company's books of account. Having regard to the nature, volume and value of claims received, management is of the view that due process will need to be applied to all such claims, in order to finally determine the level of present and possible obligations that would need to be recognised by the Company as liabilities.

	Emphasis of Matter #2: We draw your attention to Note No. 34 & 36 to accompanying financial statements regarding NCLAT Order on Moratorium for financial creditors of the Company based on which Company has stopped servicing and accruing interest and repayment to financial creditors effective from October 15, 2018. Consequently, the servicing of interest and repayment of principal has not been done after October 15, 2018. Further, the corresponding impact on Effective Interest Rate, IRR etc. have not been considered. Pending completion of the resolution process, the ultimate impact on the financial statements is not presently determinable.	The Hon'ble National Company Law Tribunal (NCLT) vide its order dated March 12, 2020 has approved October 15, 2018 as the cut-off date for initiation of the resolution process of the Company. Accordingly, all claims against the Company have been crystallised as of Cut-off date and no interest, additional interest, default interest and penal interest has accrued on borrowings post the said Cut-off date. Appropriate disclosures have been made in Financial Statements quantifying the amount of interest expense / income that has not been recognized in the financials beyond October 15, 2018 till March 31, 2019.
8	**Material Uncertainty Related to Going Concern** We draw attention to note no. 28-38 in the financial statements wherein the company has stated that the company is going through liquidity issues and as per the order of NCLT had stopped servicing / accruing its debts and interest thereon since October 16, 2018. As part of such resolution, the ultimate holding company had invited bids for divestment of equity which has been accepted by the Board of the holding company however the completion of the process is subject to regulatory processes, approvals and compliances. Further, the company incurred a net loss of Rs. 4673.35 million during the year ended March 31, 2019 and is having a negative net worth of Rs. 3294.46 million as on March 31, 2019. These conditions, along with other matters set forth at Note 34-36 regarding debt servicing and its liquidity	Union of India has superseded the earlier board of Holding/Ultimate Holding Company and appointed new Board from October 01, 2018. Entire Group is going through severe financial stress. National Company Law Appellate Tribunal ("NCLAT") had passed an order on October 15, 2018 ("Interim Order") in Company Appeal (AT) 346 of 2018, imposing moratorium on the creditors of IL&FS and its 348 group companies, which includes the Company. Further, NCLAT vide its order dated

	status, coupled with negative net-worth as at March 31, 2019 indicate that a material uncertainty exists that may cast a significant doubt on the company's ability to continue as a going concern, pending completion of the process of stake sale. Our opinion is not modified in respect of this matter.	February 11, 2019 has also classified the Company under the "Amber Category" based on a 12 month cash flow solvency test, which means that the Company is able to meet only financial obligation towards Senior Lenders and operational creditors. In view of this classification and the moratorium order, the Company has stopped servicing financial obligations towards all its financial creditors. The Company has received a bid from third party and the same has been accepted by the Board of ITNL & IL&FS (the ultimate Holding Company). Hence on the basis of above, these accounts are prepared on the basis of going concern.
9	**Internal Financial Control – Disclaimer of Opinion** Consequent to the various matters mentioned in Note No. 29-42 of the financial statements, which have inter-alia resulted in the matters stated in the Basis of Disclaimer of Opinion para of our auditor's report on the accompanying financial statements, the normal operations / activities of the company have been reduced / disrupted after September 30, 2018. Considering the material and pervasive nature of the matters described in the Basis for Disclaimer of Opinion paragraph of our auditor's report on the financial statements, we are unable to comment if the company has established adequate Internal financial control over financial reporting and whether such internal financial controls were	While the Board believes that despite various observations specified above and the responses to Auditor observations, the Company has effective Internal Controls including Internal Controls on Financial Reporting. Many of the developments in the last financial year were extraneous to the Company and beyond its controls. Despite these challenges the Company has been able to conducts its business and financial operations in usual manner. The disclaimer

<table>
<tr><td></td><td>operating effectively as at and for the year ended March 31, 2019. Accordingly, we do not express an opinion on Internal Financial Controls over Financial Reporting with reference to the accompanying financial statements.</td><td>of opinion of auditor hence is mainly due to external factors affecting the Company.</td></tr>
<tr><td>10</td><td><u>CARO – Disclaimer of Opinion #1</u>

According to the information and explanations given to us and based on the records of the company examined by us, the company is not regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, professional tax, cess and any other material statutory dues, as applicable, with the appropriate authorities in India.

According to the information and explanations given to us, there are no undisputed arrears as at March 31, 2019 for a period of more than six months from the date they became payable.</td><td>There was delay in discharging the tax liability which were booked while finalising the books of accounts for the year ended March 31, 2018.</td></tr>
<tr><td>11</td><td><u>CARO – Disclaimer of Opinion #2</u>

According to the information and explanations given to us, there are no applicable statutory dues which have not been deposited on account of any dispute,

<table><tr><th>Name of Statute and Nature of Dues</th><th>Forum where dispute is pending</th><th>FY to which the amount relates</th><th>Amount involved (Rs. in Lacs)</th></tr><tr><td>Income Tax Act, 1961; Income Tax</td><td>Income Tax Appellate Tribunal</td><td>2011-12</td><td>13.08 (against which paid under protest Rs. 13.46 Lacs)</td></tr><tr><td></td><td>Commissioner of Income Tax</td><td>2012-13</td><td>0.36</td></tr></table></td><td>The dispute has been settled and favourable order was passed post March 31,, 2019 by ITAT dated July 24, 2019 deleting the Demand raised by the Assessing officer for FY 2011-12. Further, there is no demand outstanding for FY 2011-12 and FY 2012-13 as company has since paid the entire outstanding demand.</td></tr>
</table>

<table>
<tr><td></td><td><table><tr><td></td><td>(Appeals)</td><td></td><td></td></tr><tr><td></td><td></td><td>2014-15</td><td></td></tr></table>other than the followi ng :</td><td></td></tr>
<tr><td>12</td><td><u>CARO – Disclaimer of Opinion #3</u>

Based upon the audit procedures carried out by us and on the basis of information and explanations provided by the management, we report that the company does not have any borrowing from banks / FI / govt.. The company has listed debentures in respect of which the interest and principal repayment during the financial year 2018-2019 are at default of which details are as follows:

<table><tr><th rowspan="2">Name of the Bank/FI</th><th colspan="2">Interest</th><th colspan="2">Principal</th></tr><tr><th>Overdue since</th><th>Amount (in Rs.)</th><th>Overdue since</th><th>Amount (Rs. In Million)</th></tr><tr><td>Debentures</td><td>September 30, 2018</td><td>28,88,57,308</td><td>September 1, 2028</td><td>224.60</td></tr><tr><td>Debentures</td><td>***</td><td>****</td><td>March 1, 2019</td><td>237.80</td></tr></table>
However, the Hon’ble NCLAT subsequent to year end vide its order dated March 12, 2020 directed that no interest / charges are to be accrued after October 15, 2018. In view of the same we have reported the default as per contracted terms above.</td><td>The Hon’ble National Company Law Tribunal (NCLT) vide its order dated March 12, 2020 has approved October 15, 2018 as the cut-off date for initiation of the resolution process of the Company. Accordingly, all claims against the Company have been crystallised as of Cut off date and no interest, additional interest, default interest and penal interest has accrued on borrowings post the said Cut-off date. Appropriate disclosures have been made in Financial Statements quantifying the amount of interest expense / income that has not been recognized in the financials beyond October 15, 2018 till March 31, 2019</td></tr>
<tr><td>13</td><td><u>CARO – Disclaimer of Opinion #4</u>
As a result of change in the operational status of the company as detailed at Note 28-38 of the financial statements and having regard to the final outcome of the matters are reported under the Basis for Disclaimer of Opinion paragraph, based on the audit procedures performed by us and as per the information and explanations given to us by the management, we are unable to comment on whether</td><td>While the Board believes that despite various observations specified and the responses to Auditor observations, the Company has effective Internal Controls including Internal Controls on Financial Reporting. Many of the developments in the last</td></tr>
</table>

	there is any instance of fraud by the company or on the company by its officers or employees. However, we have been not informed of any such case by the management.	financial year were extraneous to the Company and beyond its controls. Despite these challenges the Company has been able to conducts its business and financial operations in usual manner. The disclaimer of opinion of auditor hence is mainly due to external factors affecting the Company. Hence the Board to the best of its information believes that there are no frauds carried out by its employees and officers.

COST AUDITOR & COST AUDIT REPORT

Pursuant to Section 148 of the Companies Act 2013 and the Companies (Cost Records and Audit) Rules 2014 framed thereunder, the Board of Directors at their meeting held on August 17, 2018 had on the recommendation of the Audit Committee appointed M/s Chivilkar Solanki & Associates, Cost Accountant as the Cost Auditor of the Company for the FY 2018-19. Mr. Vijay Kumar Solanki of M/s Chivilkar Solanki & Associates, Cost Accountant has confirmed his eligibility for appointment for the FY 2019-20 and that he is free from any disqualification for being appointed as Cost Auditors under the provisions of the Companies Act, 2013.

The Board of Directors has recommended to the Members remuneration payable to M/s Chivilkar Solanki & Associates, Cost Accountants for the F.Y 2019-20 to be approved at the ensuing AGM.

The report of the Cost Auditor is enclosed as Annexure B. The report does not contain any qualification or adverse remark.

SECRETARIAL AUDIT & SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s A. K. Jain & Co., Company Secretaries, Mumbai, in whole-time practice to carry out the Secretarial Audit of the for the Financial Year 2018-19.

The report of the Secretarial Auditor is enclosed as Annexure C. The Management Representation on the qualifications/ observations/ remarks of Secretarial Auditor pertaining to year ended March 31, 2019 are as under:

Sr. No	**Qualifications**	**Responses to Audit Qualifications / observations**
1.	The Company has not filled up the Vacancy caused by resignation of Chief Financial Officer within 6 (Six) months from the date of such vacancy pursuant to the provisions of Section 203 of the Act.	Due to the unforeseen situation within the IL&FS Group pursuant to the fall out of the management takeover and appointment of New Board of Directors by the Union of India and uncertainty arising therefrom, there was a huge attrition and resignations by the employees including KMPs. This has also resulted in difficulties in recruitment of CFO by the Company.
2.	The Company has failed to file E-Form INC-22 (A) as prescribed under Section 12 of the Act, hence the status of the Company is “Active Non-Compliant	Due to the unforeseen situation within the IL&FS Group pursuant to the fall out of the management takeover and appointment of New Board of Directors by the Union of India and uncertainty arising therefrom, there was a huge attrition and resignations by the employees including KMPs. This has also resulted in difficulties in recruitment of KMPs to replace them and hence the Company was not in a position to file the Form INC-22A.
3.	The Company has not complied with the following regulations as specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:	During the financial year 2018-19, the Company has undergone various operational constrains and challenges, like

<table>
<tr>
<td></td>
<td>a. Regulations 52 (Financial Results) for half year ended September, 2018 and March, 2019.

b. Regulations 54: Asset Coverage Ratio

c. Regulations 62 (Website): The website of the Company is not maintained.</td>
<td>• Re-constitution of the Board of the Company
• Re-opening of books of accounts and re-casting of the financial statements
• Transition from IGAAP to IND AS for preparation of Financials
• Investigation by Serious Fraud Investigating office (SFIO)
• A special audit conducted by the Grant Thornton

Thus, the Company was not in a position to submit its financial statement/results as the preparation of financial statement/results requires management to make various estimates and representation.</td>
</tr>
</table>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The details of loans given, investments made, guarantees given and securities provided under Section 186 of the Companies Act, 2013 have been provided in the notes to the financial statements.

RELATED PARTY TRANSACTIONS:

All related party transactions during the year have been entered into in ordinary course of business and on arm’s length basis and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant transactions made with any of the related parties of the Company.

Accordingly, there are no contracts or arrangements with related parties to be disclosed in Form AOC-2 pursuant to Clause (h) of Sub section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

The Company has developed a Related Party Transactions Policy & Framework for the purpose of identification and approval of such transactions. A Statement of all related party transactions consummated as per the Related Party Transactions Policy & Framework is placed before the Audit Committee every quarter for their approval.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

Except as disclosed elsewhere in this report, no material changes and commitments have occurred between the end of the financial year of the Company and date of this report which can affect the financial position of the Company.

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

Since, the Company does not have any manufacturing facility, the particulars required to be provided in terms of the disclosures required under Section 134 (3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are not applicable to the Company. There was no earning or outgo of foreign exchange during the year under review.

RISK MANAGEMENT:

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. There are no risks which in the opinion of the Board affect the Company operations on going concern basis.

The Board periodically reviews the risks and measures are taken for mitigation.

CORPORATE SOCIAL RESPONSIBILITY POLICY:

During the period under review, your Company is not coming under the purview of eligibility criteria under section 135 of the Companies Act, 2013 and hence the requirements under CSR provisions are not applicable to the Company.

PERFORMANCE EVALUATION:

In terms of the provisions of the Companies Act, 2013, a formal annual evaluation needs to be carried out by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be carried out by the entire Board of Directors, excluding the director being evaluated.

Pursuant to Section 134 of the Companies Act, 2013 the Board of Directors at their Meeting has carried out the performance evaluation of all the Directors and Committees.

OTHER DISCLOSURES/ MATTERS REQUIRED UNDER COMPANIES ACT, 2013

SHARE CAPITAL:

During the year under review there was no change in the Share Capital of the Company.

During the year under review, your Company has not issued and allotted any equity shares, equity shares with differential voting rights nor has granted any stock option or sweat equity. As on March 31, 2019, none of the directors held instruments that are convertible into Equity Shares of the Company.

REDEMPTION OF NON-CONVERTIBLE DEBENTURES

The Company had issued 88,336 Secured, Listed, Redeemable, Non-Convertible Debentures of Face Value of ₹ 1,00,000/- each (the "Debentures"), aggregating upto Rs. 883.36 Crore on a Private Placement basis. For the aforementioned Debentures, the total amount outstanding to be redeemed as on 31st March, 2019 is Rs. 790.14 Crore.

INTERNAL CONTROL SYSTEM:

The Company had implemented an internal control framework (ICF) covering various aspects of the business which enables a stage-wise/process-wise confirmation of the compliance of the control and also facilitates audit. The internal audit is carried out by a firm of Chartered Accountants using the ICF and they report directly to the Audit Committee of the Board of Directors. The Corporate Audit function plays a key role in providing both the operating management and the Board's Audit Committee with an objective view and reassurance of the overall control systems. The ICF is periodically modified so as to be consistent with operating changes for improved controls and effectiveness of internal control and audit.

The Internal Auditor's scope and authority are derived from the Internal Audit Plan, which is approved by the Audit Committee. The plan is modified from time to time to meet requirements arising from changes in law as well as out of the improved controls resulting from the implementation of the ICF. Internal audits are conducted every quarter and covers operations, accounting, secretarial and administration functions. It also provides special reference to compliances based on the audit plan. Internal audit reports are placed before the Audit Committee at regular intervals for review discussion and suitable action.

CHANGE IN THE NATURE OF BUSINESS:

There was no change in the nature of business during the year under review as per Sub Rule 5(ii) of Rule 8 of Companies (Accounts) Rules, 2014.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

During the year under review, the Company has not incorporated/formed any Subsidiary, Joint Venture, Associate Company or LLPs.

VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:

In accordance with Section 177(9) of the Companies Act, 2013 the Company has established a vigil mechanism by adopting a Whistle Blower Policy for the directors and employees to report genuine concerns or grievances.

The administration of the vigil mechanism is being done through Audit Committee.

During the financial year 2018-19, no employee of the Company was denied access to the Audit Committee.

DEPOSITS:

During the financial year under consideration, your Company has not accepted any public deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under.

POLICY FOR PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

The Company has provided a safe and dignified work environment for its employees which is free of discrimination, intimidation and abuse. The Company has adopted a Policy for Prevention of Sexual Harassment of Women at Workplace pursuant to Section 22 read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The objective of this policy is to provide protection against sexual harassment of women at workplace and for redressal of complaints of any such harassment. The Internal Complaints Committee to redress the complaints received under the Act is in place.

No complaints has been received during the year under review.

PARTICULARS OF EMPLOYEES:

During the year under review, there were no such employees of the Company in respect of whom the information is required to be disclosed pursuant to Section 197 of the Companies Act 2013 read with Rule 5(2)&(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

SECRETARIAL STANDARDS:

The Secretarial Standards as applicable to the Company were complied to the extent possible, as the Company has been facing various challenges and constraints during the period under review.

ACKNOWLEDGEMENTS

The Directors place on record their appreciation for the support and co-operation received from various Government Authorities and other Regulatory Authorities, Banks, Financial Institutions and Shareholders of the Company.

For and on behalf of the Board
Jorabat Shillong Expressway Limited

	SD/-	SD/-
	Nominee Director	Nominee Director
April 21, 2020	(DIN: 06612768)	(DIN: 05188337)
Mumbai	Vijay Kini	Rajnish Saxena

ANNEXURE A

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN
As on Financial Year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U45203MH2010PLC204456
2.	Registration Date	18/06/2010
3.	Name of the Company	Jorabat Shillong Expressway Limited
4.	Category/Sub-category of the Company	Company Limited by Shares
5.	Address of the Registered office & contact details	The IL&FS Financial Centre, Plot C 22, G Block, Bandra Kurla Complex, Mumbai-400051, Contact No. 022-26533333, Email ID: itnl.secretarial@ilfsindia.com,
6.	Whether listed company	The Company is having its Non-Convertible Debentures listed on the National Stock Exchange
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link InTime India Pvt Limited, C-101, 247 Park, LBS Marg, Surya Nagar, Vikhroli (West), Mumbai – 400 083 Phone: +91 22 4918 6000

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

Sr. No.	Name and Description of main products / services	NIC Code of the	% to total turnover of the company
1	Construction and maintenance of Motorways, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways	42101	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of The company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	IL&FS Transportation Networks Limited ("ITNL) Address: The IL&FS Financial Centre, Plot C 22, G Block, Bandra Kurla Complex, Mumbai-400051	L45203MH2000PLC129790	Holding	100%	2(46)

VI. 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.	8,40,00,000	-	8,40,00,000	100%	8,40,00,000	-	8,40,00,000	100%	No

e) Banks / FI		-	-	-	-	-	-	-	-
f) Any other		-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**8,40,00,000**	**-**	**8,40,00,000**	**100%**	**8,40,00,000**	**-**	**8,40,00,000**	**100%**	**No**
(2) Foreign		-	-	-	-	-	-	-	-
a) NRIs- Individual		-	-	-	-	-	-	-	-
b) Other – Individuals		-	-	-	-	-	-	-	-
c) Bodies Corporate		-	-	-	-	-	-	-	-
d) Banks/FI		-	-	-	-	-	-	-	-
e) Any Other…		-	-	-	-	-	-	-	-
Sub-total (A) (2):-		-	-	-	-	-	-	-	**-**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**8,40,00,000**	**-**	**8,40,00,000**	**100%**	**8,40,00,000**	**-**	**8,40,00,000**	**100%**	**No**
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) FIIs		-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds		-	-	-	-	-	-	-	-
i) Others (specify)		-	-	-	-	-	-	-	-
Sub-total (B)(1):-		-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.		-	-	-	-	-	-	-	-
i) Indian		-	-	-	-	-	-	-	-
ii) Overseas		-	-	-	-	-	-	-	-
b) Individuals		-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh		-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh		-	-	-	-	-	-	-	-

c) Others (specify)		-	-	-	-	-	-	-	-
Sub-total (B)(2):-		-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)		-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs		-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**8,40,00,000**	**-**	**8,40,00,000**	**100%**	**8,40,00,000**	**-**	**8,40,00,000**	**100%**	**Nil**

ii) Shareholding of Promoter-

Sr. No.	**Shareholder's Name**	**Shareholding at the beginning of the year**			**Shareholding at the end of the year**			**% change in shareholding 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	IL&FS Transportation Networks Limited	4,20,00,000	50%	-	8,40,00,000	100%	-	50%
2	Ramky Infrastructure Limited	4,20,00,000	50%	-	-	-	-	(50%)
	Total	**8,40,00,000**	**100%**	**-**	**8,40,00,000**	**100%**	**-**	**Nil**

iii) **Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	IL&FS Transportation Networks Limited				
	At the beginning of the year	4,20,00,000	50%	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	4,20,00,000 Transfer of Shares from Ramky Infrastructure Limited on December 13, 2018	50%	4,20,00,000	50%
	At the end of the year	-	-	8,40,00,000	100%
2.	Ramky Infrastructure Limited				
	At the beginning of the year	4,20,00,000	50%	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	(4,20,00,000) Transfer of Shares to IL&FS Transportation Networks Limited on December 13, 2018	(50%)	(4,20,00,000) Transfer of IL&FS Transportation Networks Limited on December 13, 2018	(50%)
	At the end of the year	-	-	-	-

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs): All the shares are held by the Promoters

Sr. No.	**For Each of the Top 10 Shareholders**	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year(or on the date of separation, if separated during the year)	-	-	-	-

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	**Name of the Director/KMP**	**Shareholding of each Directors and each Key Managerial Personnel**	**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
			No. of shares	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
1.	**Mr. Vijay Kini -Nominee Director (joint holding with IL&FS Transportatio**	At the beginning of the year	-	-	-	-

	n Networks Limited)					
		Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	5 Transfer of Shares from Mr. Prashant Agarwal on December 13, 2018.	-	5	-
		At the end of the year	5	-	5	-

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. In Million)

	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year				
i) Principal Amount	8386.1	5368.83	-	13754.93
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
iv) Indas Adjustment - Loan	-213.19	-	-	-213.19
v) Indas Adjustment - Interest	-	-	-	-
Total (i+ii+iii+iv+v)	8172.91	5368.83		13541.74
Change in Indebtedness during the financial year				
* Addition	-	47	-	47

* Reduction	-224.6	-	-	-224.6
* Addition -Interest due but not paid	-	257.58	-	257.58
* Reduction -Interest accrued but not due	-	-	-	-
* Addition -Interest accrued but not due	83.93	20.23		104.16
* Indas Adjustment - Loan	-46.82	-	-	-46.82
* Indas Adjustment - Interest	-	-	-	-
Net Change	-187.49	324.81		137.32
Indebtedness at the end of the financial year				
i) Principal Amount	8161.5	5415.39	-	13576.89
ii) Interest due but not paid		257.58	-	257.58
iii) Interest accrued but not due	83.93	20.23	-	104.16
iv) Indas Adjustment - Loan	-260.01	-	-	-260.01
v) Indas Adjustment - Interest	-	-	-	-
Total (i+ii+iii+iv+v)	**7985.42**	5692.81	-	**13678.23**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Rs, in Million)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
-	Gross salary	-	-	-	-	-
	(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)	-	-	-	-	-
	Ceiling as per the Act	being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013				

B. Remuneration to other directors

(Rs, in Million)

Sr. No	**Particulars of Remuneration**	**Name of Directors**						**Total**
1	**Independent Directors**	**Milan Chakravarti**	**Goutam Mukherjee**					
	Fee for attending board committee meetings	0.08	0.08					0.16
	Commission							
	Others, please specify							
	Total (1)	**0.08**	**0.08**					**0.16**
2	**Other Non-Executive Directors**	**Vijay Kini**	**S C Sachdeva**					
	Fee for attending board committee meetings	0.06	0.02					0.08
	Commission							

	Others, please specify							
	Total (2)	**0.06**	**0.02**					**0.08**
	Total (B)=(1+2)	**0.14**	**0.10**					**0.24**
	Total Managerial Remuneration	-	-	-	-	-	-	-
	Overall Ceiling as per the Act	being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013						

* *The Board of Directors in the meeting held on August 17, 2018 has passed a resolution for the waiver of Sitting Fees paid to the Non-Executive Directors.*

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(in Million)

Sr. No.	**Particulars of Remuneration**	**Key Managerial Personnel**			
		CEO	CS	CFO	Total
1	Gross salary	-	0.15	-	-
	(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	-	**0.15**	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board
Jorabat Shillong Expressway Limited

SD/- SD/-

Nominee Director Nominee Director
(DIN: 06612768) (DIN: 05188337)
Vijay Kini Rajnish Saxena

Date: April 21, 2020
Mumbai

KDT & Associates
Practicing Company Secretaries
Add: 301/308, Balaji Darshan, Tilak Road, Santacruz(W), Mumbai-400054;
Email: team@cskda.com Tel No: 26487278 / 26000308 / 9820636169

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019
[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,
JORABAT SHILLONG EXPRESSWAY LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JORABAT SHILLONG EXPRESSWAY LIMITED** (hereinafter called "the Company"), incorporated on **18th June, 2010** having **CIN: U45203MH2010PLC204456** and Registered office at **The IL&FS Financial Centre, Plot No. C-22, G Block Bandra Kurla Complex, Bandra (East), Mumbai Mumbai City MH 400051.** Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on **31st March, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on **31st March, 2019** as made available to us, according to the following provisions of (including any statutory modifications, amendments or re-enactment thereof for the time being in force):

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings- ***Not Applicable during the period under review;***

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

- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- ***Not Applicable during the period under review***;

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- ***Not Applicable during the period under review***;

- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- ***Not Applicable during the period under review***;

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

- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - ***Not Applicable during the period under review;***

- 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;

- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- ***Not Applicable during the period under review;***

- Other laws applicable to the Company (List of other laws enclosed and marked as **Annexure –I**)

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

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

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

To the best of our knowledge and belief, during the year under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above subject to the following observations:

- The Company has not filled up the vacancy caused by resignation of Chief Financial Officer within 6 (Six) months from the date of such vacancy pursuant to the provisions of Section 203 of the Act.

- The Company has failed to file E-Form INC-22 (A) as prescribed under Section 12 of the Act, hence the status of the Company is "Active Non-Compliant"

- The Company has not complied with the following regulations as specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:
  a. Regulations 52 (Financial Results) for half year ended September, 2018 and March, 2019.
  b. Regulations 54: Asset Coverage Ratio
  c. Regulations 62 (Website): The website of the Company is not maintained.

I further report that-

The Board of Directors of the Company is constituted with composition of Non-Executive Directors only. Further the changes in composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 (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.

Decisions at the meetings of the Board of Directors of the Company were carried out

Add: 301/308, Balaji Darshan, Tilak Road, Santacruz(W), Mumbai-400054;

Email: team@cskda.com Tel No: 26487278 / 26000308 / 9820636169

unanimously. There were no dissenting views by any member of the Board of Directors during the year under review.

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

For KDT & Associates
Company Secretaries

Shilpa Mishra
Partner
Membership No.: ACS 30141
CoP No.: 15443
UDIN: A030141A000449771

Date: 20th December, 2019
Place: Mumbai

KDT & Associates

Practicing Company Secretaries

Add: 301/308, Balaji Darshan, Tilak Road, Santacruz(W), Mumbai-400054;

Email: team@cskda.com Tel No: 26487278 / 26000308 / 9820636169

Annexure I

Sr. No.	*Particulars*
1	Concession Agreement with National Highway Authority of India (NHAI)
2	Building And Other Construction Workers (Regulation Of Employment And Conditions Of Service) Act, 1996
3	Environment (Protection) Act, 1986
4	Air (Prevention And Control Of Pollution) Act, 1981
5	Water (Prevention And Control Of Pollution) Act, 1974
6	Forest Conservation Act, 1980
7	Hazardous Wastes (Management And Handling) Rules, 1989
8	Labour Laws, to the extent applicable.

For KDT & Associates
Company Secretaries

Shilpa Mishra
Partner
Membership No.: ACS 30141
CoP No.: 15443
UDIN: A030141A000449771

Date: 20th December, 2019
Place: Mumbai

KDT & Associates

Practicing Company Secretaries

Add: 301/308, Balaji Darshan, Tilak Road, Santacruz(W), Mumbai-400054;

Email: team@cskda.com Tel No: 26487278 / 26000308 / 9820636169

To,

The Members,

JORABAT SHILLONG EXPRESSWAY LIMITED

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.

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

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

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

6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KDT & Associates
Company Secretaries

Shilpa Mishra
Partner
Membership No.: ACS 30141
CoP No.: 15443
UDIN: A030141A000449771

Date: 20th December, 2019
Place: Mumbai

MKPS & ASSOCIATES
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To,

The Members of Jorabat Shillong Expressway Limited

Report on the Audit of the Financial Statements

1. **Disclaimer of Opinion**

We were engaged to audit the accompanying financial statements of Jorabat Shillong Expressway Limited (the company) which incorporates the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss including the Other Comprehensive Income, the statement of Cash Flows and the statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying financial statements of the company because of the significance of the matters described in the Basis for Disclaimer of Opinion and Material Uncertainty Related to Going Concern sections of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the accompanying standalone Ind AS financial statements.

2. **Basis of Disclaimer of Opinion**

The matters in Paragraph (i) to (vii) below should be read with Note No. 28 - 38 of the accompanying financial statements which discusses certain key events of the year (including those after the reporting date) and Notes to the accompanying financial statements regarding the resolution process followed by the board of directors of the company and its holding company in relation to the operation of the company, and the following relevant notes:

i. *As mentioned in Note No. 31, the National Company Law Tribunal has ordered for reopening and recasting of the books of accounts for the financial years 2012-13 to 2017-18 of the holding company IL&FS Transportation Networks Limited, ultimate holding company IL&FS India Limited and a subsidiary thereof viz. IL&FS Financial Services Limited. The process for the same is still ongoing and hence the resultant / consequent impact, if any, that it may have on the financial statements of the company is not presently determinable;*

ii. *As mentioned in Note No. 32 to the accompanying financial statements, the Ministry of Corporate Affairs, Government of India, has initiated investigation by Serious Fraud Investigation Office (SFIO) against IL&FS Ltd. and its group companies under Section 212 (1) of the Companies Act, 2013. As a part of its investigation, SFIO has been seeking information from the Company on an ongoing basis. The investigation is in progress and the implications if any, are not determinable at this stage. Consequently, the accompanying financial statements do not include any possible adjustments arising in this regard.*

iii. *As mentioned in Note No. 33 of the financial statements, the books of accounts of IL & FS India Ltd. (the ultimate holding company) and certain companies of the group are being subject to a forensic audit by an independent third party. The report of such*

403, 4th Floor, A Wing, Grace Chambers, Andheri Kurla Road, Chakala, Beside Gurudwara, Andheri (East), Mumbai - 400 093, India.
Phone: +91 22 2687 8861 / 63
E-mail: mumbai@mkps.in | web : www.mkps.in
Also At : New Delhi, Bangalore, Hyderabad, Kolkata, Raipur, Bhubaneswar, Cuttack, Sambalpur, Rourkela

forensic audit is not available for our perusal, as explained the same is currently ongoing;

iv. *As mentioned in Note No. 37 to the accompanying IND AS financial statements, consequent upon the changes in management estimates w.r.t. maintenance costs expected to be incurred over balance concession period, annuity amount to be received, rate of return on financial assets etc. has resulted into modification loss of Rs. 1805.76 Million charged to the statement of profit and loss. Considering the ongoing divestment process, these revised estimates for future period(s) are subject to reassessment of expenses / revenue post completion of the divestment process.*

v. *The company has recognised impairment in respect of the financial assets by comparing the bid received by the holding company for disposal of its stake in the company with the net assets of the company as at September 30, 2018. The same in our opinion, is not in compliance with the requirements of Ind AS 36 on Impairment of Assets which require that the value in use or value in exchange of the asset is to be compared with the carrying amount of the asset. (Refer Note No. 30 of the accompanying financial statements)*

vi. *As referred to in Note No. 35 of the accompanying financial statements, the company is not in compliance with certain requirement / provisions of applicable laws and regulations. Pending final determination by management of the financial and other consequences arising from such non compliances, no adjustment has been made to the accompanying financial statements.*

3. *Emphasis of Matter*

i. *As further detailed at Note No. 34, the creditors of the company have submitted their claims to a Claim Management Advisor ("CMA") appointed by IL&FS, ultimate holding company. As stated in the said note, management of the company is in the process reviewing the claims and they are subject to updation, hence its consequential impact is unascertainable.*

ii. *We draw your attention to Note No. 34 & 36 to accompanying financial statements regarding NCLAT Order on Moratorium for financial creditors of the Company based on which Company has stopped servicing and accruing interest and repayment to financial creditors effective from October 15, 2018. Consequently, the servicing of interest and repayment of principal has not been done after October 15, 2018. Further, the corresponding impact on Effective Interest Rate, IRR etc. have not been considered. Pending completion of the resolution process, the ultimate impact on the financial statements is not presently determinable.*

4. Material Uncertainty Related to Going Concern

We draw attention to note no. 28-38 in the financial statements wherein the company has stated that the company is going through liquidity issues and as per the order of NCLT had stopped servicing / accruing its debts and interest thereon since October 16, 2018. As part of such resolution, the ultimate holding company had invited bids for divestment of equity which has been accepted by the Board of the holding company however the completion of the process is subject to regulatory processes, approvals and compliances. Further, the company incurred a net loss of Rs. 4673.35 million during the year ended March 31, 2019 and is having a *negative* net worth of Rs. 3294.46 million as on March 31, 2019. These conditions, along with other matters set forth at Note 34-36

MKPS & ASSOCIATES
FRN 302014E
CHARTERED ACCOUNTANTS

regarding debt servicing and its liquidity status, coupled with negative net-worth as at March 31, 2019 indicate that a material uncertainty exists that may cast a significant doubt on the company's ability to continue as a going concern, pending completion of the process of stake sale. Our opinion is not modified in respect of this matter.

5. **Management's Responsibility for the Standalone Financial Statements**

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

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

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

6. **Auditor's Responsibilities for the Audit of the Financial Statements**

Our responsibility is to conduct an audit of the entity's financial statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the entity in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the entity.

7. **Report on Other Legal and Regulatory Requirements**

i. 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 "Annexure – I" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

(a) As described in the basis for disclaimer of opinion paragraph, we sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) Due to the possible effects of the matter described in the basis for disclaimer of opinion paragraph, we are unable to state whether 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;

MKPS & ASSOCIATES
FRN 302014E
CHARTERED ACCOUNTANTS

(c) Read along with and to the extent as described in the Basis of Disclaimer of Opinion Paragraph, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

(d) In our opinion, read along with and to the extent as described in the Basis of Disclaimer of Opinion paragraph we are unable to comments if the aforesaid standalone financial statements comply, in material respect, with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) The matters as described in the Basis of Disclaimer of Opinion paragraph may have a adverse effect on the functioning of the company.

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

(g) 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 II, which gives a Disclaimer of Opinion.

(h) With respect to reporting on other matters to be included herein in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, we report that no amount has been paid by the company towards remuneration to its directors, other than directors sitting fees which is within the limits as specified.

(i) 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) Read along with the possible of the matters stated in the Basis for Disclaimer paragraph, the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;

    ii) Based on the assessment made by the company, there are no material foreseeable losses on its long term contracts that may require any provisioning

    iii) In view of there being no amounts required to be transferred to the Investor Education and Protection Fund for the year under audit, the reporting under this clause is not applicable.

For MKPS & Associates
Chartered Accountants
FRN 302014E

MKPS & ASSOCIATES
FRN
302014E
CHARTERED ACCOUNTANTS

Narendra Khandal
Partner
M No. 065025
UDIN : 20065025AAAACK9154
Mumbai, April 21, 2020

Annexure – I to the Independent Auditors Report
Referred to in our report of even date, to the members of Jorabat Shillong Expressway Limited for the year ended March 31, 2019

i) In view of there being no Property, Plant & Equipment, other than financial assets in the nature of Annuity Receivable rights, the reporting requirements under sub-clause (a), (b) and (c) of Clause (i) of paragraph 3 of the order are not applicable.

ii) In our opinion, and according to the information and explanations given to us, the Company does not carry any inventories for the year ended on 31st March, 2019. Hence, the reporting requirements under clause (ii) of paragraph 3 of the order are not applicable.

iii) In our opinion and according to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the reporting requirements under sub-clause (a), (b) and (c) of Clause (iii) of paragraph 3 of the order are not applicable.

iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted during the year under audit in respect of which provisions of section 185 and 186 of the Act are applicable and hence the reporting requirements under clause (iv) of paragraph 3 of the order are not applicable.

v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the period under audit. Consequently, the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 of the Act and the rules framed thereunder are not applicable.

vi) According to the information and explanations provided to us and as represented by the management, the maintenance of cost records has been specified for the company by the Central Govt., under sub-section (1) of section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014 (as amended). We have broadly reviewed the records and are of the opinion that prima-facie the prescribed records have been made and maintained. We have not, however made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company *is not regular in depositing the undisputed statutory dues* including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, professional tax, cess and any other material statutory dues, as applicable, with the appropriate authorities in India.
According to the information and explanations given to us, there are no undisputed arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no applicable statutory dues of income tax, sales tax, duty of customs, duty of excise, cess which have not been deposited on account of any dispute, other than the following :

Name of Statute and Nature of Dues	***Forum where dispute is pending***	***FY to which the amount relates***	***Amount involved (Rs. in Lacs)***
Income Tax Act, 1961; Income Tax	Income Tax Appellate Tribunal	2011-12	13.08
	Commissioner of Income Tax (Appeals)	2012-13	0.36
Subsequent to the year-end, the demands have been set aside at the respective forums.			

MKPS & ASSOCIATES
FRN 302014E
CHARTERED ACCOUNTANTS

viii) Based upon the audit procedures carried out by us and on the basis of information and explanations provided by the management, we report that the company does not have any borrowing from banks / FI / govt.. The company has listed debentures in respect of which the interest and principal repayment during the financial year 2018-2019 are at default as per the terms of the contract. However, the Hon'ble NCLAT subsequent to year end vide its order dated March 12, 2020 directed that no interest / charges are to be accrued after October 15, 2018. In view of the said order, we report that there are no defaults in respect of these debentures.

ix) According to the information and explanations provided to us and on an overall examination of the balance sheet, the company has not raised any money including debt / loan by way of initial public offer or further public offer, hence this part of sub-clause (ix) is not applicable.

x) As a result of change in the operational status of the company as detailed at Note 28-38 of the financial statements and having regard to the final outcome of the matters are reported under the Basis for Disclaimer of Opinion paragraph, based on the audit procedures performed by us and as per the information and explanations given to us by the management, we are unable to comment on whether there is any instance of fraud by the company or on the company by its officers or employees. However, we have been not informed of any such case by the management.

xi) According to the information and explanations given to us, the company has not paid any managerial remuneration during the year and hence the reporting requirements under clause (xi) of paragraph 3 of the order are not applicable.

xii) The company is not a Nidhi Company and hence the reporting requirements under clause (xii) of paragraph 3 of the order are not applicable.

xiii) According to the information and explanations given to us, all transactions entered into by the company with related parties are in compliance with section 177 and 188 of the Act where applicable and the details thereof have been disclosed in the financial statements as required by the applicable accounting standards.

xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.

xv) According to the information and explanations provided to us, the company has not entered into any non-cash transactions with directors or persons connected with them.

xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45 – IA of the Reserve Bank of India, 1934.

For MKPS & Associates
Chartered Accountants
FRN 302014E

MKPS & ASSOCIATES FRN 302014E CHARTERED ACCOUNTANTS

CA Narendra Khandal
Partner
M No. 065025
UDIN : 20065025AAAACK9154
Mumbai, April 21, 2020

Annexure – II to the Independent Auditors Report

Referred to in our report of even date, to the members of Jorabat Shillong Expressway Limited for the year ended March 31, 2019

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

We were engaged to audit the internal financial controls over financial reporting of Jorabat Shillong Expressway Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

MKPS & ASSOCIATES
FRN 302014E
CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls Over Financial Reporting

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

Disclaimer of Opinion

Consequent to the various matters mentioned in Note No. 29-42 of the financial statements, which have inter-alia resulted in the matters stated in the Basis of Disclaimer of Opinion para of our auditor's report on the accompanying financial statements, the normal operations / activities of the company have been reduced / disrupted after September 30, 2018. Considering the material and pervasive nature of the matters described in the Basis for Disclaimer of Opinion paragraph of our auditor's report on the financial statements, we are unable to comment if the company has established adequate Internal financial control over financial reporting and whether such internal financial controls were operating effectively as at and for the year ended March 31, 2019. Accordingly, we do not express an opinion on Internal Financial Controls over Financial Reporting with reference to the accompanying financial statements.

Explanatory Paragraph

We were engaged to audit, in accordance with Standards on Auditing issued by The Institute of Chartered Accountants of India, as specified under section 143(10) of the Act, the accompanying financial statements of Jorabat Shillong Expressway Limited as at and for the year ended on March 31, 2019. We have considered the disclaimer of opinion reported above in determining the nature, timing and extent of audit tests applied in our audit of the March 2019 financial statements of the company and this report also affects our report dated April 20, 2020 which expresses a disclaimer of opinion on those financial statements.

For MKPS & Associates
Chartered Accountants
FRN 302014E

Khandal

CA Narendra Khandal
Partner
M No. 065025
UDIN : 20065025AAAACK9154
Mumbai, April 21, 2020

MKPS & ASSOCIATES
FRN
302014E
CHARTERED ACCOUNTANTS

JORABAT SHILLONG EXPRESSWAY LIMITED
CIN : U45203MH2010PLC204456
BALANCE SHEET AS AT MARCH 31, 2019

₹ in Millions

Particulars	Notes	As at March 31, 2019		As at March 31, 2018	
ASSETS					
Non-current Assets					
(a) Financial assets					
(i) Other financial assets	4		8,260.62		11,340.30
(b) Tax assets					
(i) Non Current Tax Asset (Net)	14		65.32		34.33
Total Non-current Assets			**8,325.94**		**11,374.62**
Current Assets					
(a) Financial assets					
(i) Investments	7	1,259.20		833.00	
(ii) Cash and cash equivalents	5	70.36		62.14	
(iii) Other financial assets	4	3,020.46	4,350.02	4,928.57	5,823.71
(b) Other current assets	6		42.95		16.43
Total Current Assets			**4,392.98**		**5,840.15**
Total Assets			**12,718.91**		**17,214.77**
EQUITY AND LIABILITIES					
Equity					
(a) Equity share capital	8	840.00		840.00	
(b) Other Equity	9	(4,134.46)		538.89	
Equity attributable to owners of the Company			**(3,294.46)**		**1,378.89**
Total Equity			**(3,294.46)**		**1,378.89**
LIABILITIES					
Non-current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	10	7,901.49		7,651.12	
(ii) Trade payables other than MSME	13	509.25	8,410.74	504.68	8,155.80
Total Non-current Liabilities			**8,410.74**		**8,155.80**
Current liabilities					
(a) Financial liabilities					
(i) Borrowings	10	5,415.39		5,368.83	
(ii) Trade payables other than MSME	13	30.15		-	
(ii) Other financial liabilities	11	2,140.76	7,586.30	2,297.91	7,666.74
(b) Current tax liabilities (Net)	14		13.70		5.07
(c) Other current liabilities	12		2.65		8.28
Total Current Liabilities			**7,602.64**		**7,680.09**
Total Liabilities			**16,013.38**		**15,835.88**
Total Equity and Liabilities			**12,718.91**		**17,214.77**

Notes 1 to 39 form part of the financial statements.

In terms of our report attached.

For MKPS & Associates
Chartered Accountants
Firm Registration Number-302014E

Narendra Khandal
Partner
Membership Number -065025

Place: Mumbai
Date :

MKPS & ASSOCIATES CHARTERED ACCOUNTANTS FRN 302014E

For and behalf of the Board

Vijay Kini
Director
DIN:06612768

Rajnish Saxena
Director
DIN:05188337

JORABAT SHILLONG EXPRESSWAY LIMITED

CIN : U45203MH2010PLC204456

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

₹ in Millions

	Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
I.	Revenue from Operations	15	1,114.94	2,945.90
II.	Other income	16	67.08	854.43
III.	**Total Income (I+II)**		**1,182.02**	**3,800.33**
IV.	**Expenses**			
	Construction Costs	17	159.74	1,931.35
	Operating expenses	18	129.39	98.14
	Employee benefits expense	19	0.15	0.21
	Finance costs (net)	20	2,502.26	1,570.82
	Provision for Impairment of Financial assets	21	1,622.84	-
	Write-off Of Claim Receiveable		1,372.66	-
	Other expenses	22	68.33	200.96
	Total expenses (IV)		**5,855.37**	**3,801.48**
V	**Profit before share of profit/(loss) of an associate and a joint venture**		**(4,673.35)**	**(1.15)**
VI	Less: Tax expense	23		
	(1) Current tax		-	36.07
	Total Tax expenses		**-**	**36.07**
VII	**Profit/(loss) after tax (V-VI)**		**(4,673.35)**	**(37.21)**
VIII	**Profit / (Loss) for the year**		**(4,673.35)**	**(37.21)**
IX	**Other Comprehensive Income**		-	-
X	**Total comprehensive (loss) / income for the year (VIII + IX)**		**(4,673.35)**	**(37.21)**
	Profit/ (Loss) for the year attributable to:			
	- Owners of the Company		(4,673.35)	(37.21)
	- Non-controlling interests		-	-
			(4,673.35)	**(37.21)**
XI	Earnings per equity share (face value ` 10 per share):	24		
	(1) Basic (in Rs.)		**(55.64)**	**(2.33)**
	(2) Diluted (in Rs.)		**(55.64)**	**(2.33)**

Notes 1 to 39 form part of the financial statements.

For MKPS & Associates

Chartered Accountants

Firm Registration Number-302014E

Narendra Khandal

Partner

Membership Number -065025

Place: Mumbai

Date :

MKPS & ASSOCIATES FRN 302014E CHARTERED ACCOUNTANTS

For and behalf of the Board

Vijay Kini

Director

DIN:06612768

Ramish Saxena

Director

DIN:05188337

JORABAT SHILLONG EXPRESSWAY LIMITED
CIN : U45203MH2010PLC204456
CASH FLOW STATEMENT FOR THE HALF YEAR ENDED MARCH 31, 2019

₹ in Millions

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Cash flows from operating activities		
Profit for the year	(4,673.35)	(37.21)
Adjustments for:		
Construction Income	(34.24)	(2,056.54)
Finance Income	(803.52)	(784.93)
O&M Income	(105.06)	(104.44)
Construction Cost	159.74	1,931.35
Gain on MTM- Investment in Mutual fund		(12.00)
O&M Cost	97.07	98.14
Finance costs recognised in profit or loss	657.19	1,462.63
Interest on Claim		(447.95)
Profit on sale of investments (net of goodwill)	(29.36)	
Claim Receivale from Authority		(390.12)
Interest income recognised in profit or loss	(3.38)	(4.36)
Impairment	1,622.84	-
Provision for Tax		36.07
	(3,112.06)	(309.36)
Movements in working capital:		
(Increase)/decrease in other financial assets & other assets (current and non current)	1,825.61	(425.12)
Increase/ (Decrease) in financial liabilities & other liabilities (current and non current)	106.06	1,588.74
	1,931.66	1,163.62
Cash generated from operations	(1,180.40)	854.25
Income taxes paid (net of refunds)	(22.37)	(32.57)
Net cash generated by operating activities (A)	(1,202.77)	821.68
Cash flows from investing activities		
Increase in receivable under service concession arrangements (net)	2,190.20	(323.58)
Interest received	3.38	4.35
Investment in Mutual funds		(821.00)
Redemption of Mutual funds	(396.84)	
Net cash used in investing activities (B)	1,796.74	(1,140.23)
Cash flows from financing activities		
Proceeds from issue of Rights Equity Shares (including securities premium)		
Rights issue / preference share issue expenses adjusted in securities premium		
Proceeds from borrowings		401.27
Repayment of borrowings		(6,985.60)
Repayment of NCD	(585.76)	(447.50)
Proceeds from NCD		8,833.60
Finance costs paid		(1,446.41)
Net cash generated in financing activities (C)	(585.76)	355.36
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	8.22	36.81
Cash and cash equivalents at the beginning of the year	62.14	25.33
Cash and cash equivalents at the end of the year	70.36	62.14

Particulars	Year ended March 31, 2019	Year Ended March 31, 2018
Components of Cash and Cash Equivalents		
Cash on hand	-	0.00
Balances with Banks in current accounts	56.36	14.14
Balances with Banks in deposit accounts	14.00	48.00
Cash and Cash Equivalents	70.36	62.14

In terms of our report attached.

For MKPS & Associates
Chartered Accountants
Firm Registration Number-302014E

Narendra Khandal
Partner
Membership Number -065025

MKPS & ASSOCIATES CHARTERED ACCOUNTANTS FRN 302014E

Place: Mumbai
Date

For and on behalf of the Board

Vijay Kini
Director
DIN:06612768

Rajnish Saxena
Director
DIN:05188337

CIN : U45203MH2010PLC204456

Statement of changes in equity

₹ in Millions

a. Equity share capital	Year ended March 31, 2019	Year ended March 31, 2018
Balance as at the begining of the year	840.00	840.00
Changes in equity share capital during the year	-	-
Balance as at end of the year	840.00	840.00

₹ in Millions

Statement of changes in equity for the year ended March 31, 2018					
b. Other equity	**Retained earnings**	**Total**	**Attributable to owners of the parent**	**Non-controlling interests**	**Total**
Balance as at April 1, 2017	772.07	772.07	772.07	-	772.07
Profit/(Loss) for the year	(195.97)	(195.97)	(195.97)	-	(195.97)
Balance as at March 31, 2018	**576.10**	**576.10**	**576.10**	-	**576.10**

₹ in Millions

Statement of changes in equity for the Year ended March 31, 2019					
b. Other equity	**Retained earnings**	**Total**	**Attributable to owners of the parent**	**Non-controlling interests**	**Total**
Balance as at April 1, 2018	576.10	576.10	576.10		576.10
Profit/(Loss) for the year	(4,673.35)	(4,673.35)	(4,673.35)	-	(4,673.35)
Balance as at September 30, 2018	**(4,097.25)**	**(4,097.25)**	**(4,097.25)**	-	**(4,097.25)**

JORABAT SHILLONG EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the Year ended March 31, 2019

4. Other financial assets (Unsecured, considered good unless otherwise mentioned)

₹ in Millions

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current	Non Current	Current
Receivable under service concession arrangements	8,260.62	498.97	11,340.30	546.33
Claim & others receivable from authority	-	2,521.49	-	4,802.60
Less : Allowance for expected credit loss				(420.42)
		2,521.49		4,382.18
Advances recoverable :				
From others		-		0.06
Interest accrued - Others		-		0.01
Security Deposits - Others	0.00	-	0.00	-
Total	8,260.62	3,020.46	11,340.30	4,928.57

Foot Note

The Company had filed the claim with NHAI, The dispute was referred to Arbitration Tribunal for resolution under The Arbitration and Conciliation Act 1996. It has been over two years but still dispute is pending resolution. During the year Company has decided to keep arbitration proceeding for claims in abeyance and referred the dispute to Conciliation Committee for expeditious resolution. Management believes considering financial issues being faced by the Company, an early resolution of the dispute will be in the best interest of the Company. Considering the aforesaid, as a matter of prudence no further interest on claim has been recognised in the books post March 31, 2018. The Company had recognised Rs 447.95 million towards interest on claim recoverable upto March 31, 2018.

5. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

₹ in Millions

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
In current accounts	56.36	14.14
In deposit accounts	14.00	48.00
Cash on hand	-	0.00
Cash and cash equivalents	70.36	62.14

₹ in Millions

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents	70.36	62.14
Cash and cash equivalents for statement of cash flows	70.36	62.14

6. Other assets (Unsecured, considered good unless otherwise mentioned)

₹ in Millions

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current	Non Current	Current
Capital Advances				
-Unsecured, considered good	-	-	-	-
Prepaid expenses	-	-	-	-
Indirect tax balances / Receivable credit	-	13.99	-	6.02
Others assets	-	28.96	-	10.41
Total	-	42.95	-	16.43

7. Other Current Investments

₹ in Millions

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units (in numbers)	Amount in Millions	Units (in numbers)	Amount in Millions
Quoted Investments				
Investment in Mutual Funds-BOI AXA Liquid Fund-Reg(G)	1,28,014	274.11	4,17,983	833.00
Investment in Mutual Funds-UTI LIQUID Cash Plan	3,22,986	985.09		
TOTAL INVESTMENTS (A)		1,259.20	4,17,983	833.00
Less : Aggregate amount of impairment in value of investments (B)		-		-
TOTAL INVESTMENTS CARRYING VALUE (A) - (B)		1,259.20		833.00
Aggregate market value of quoted investments		1,259.20		833.00

Investment are liend marked for DSRA of Rs 590 Mn.

MKPS & ASSOCIATES
FRN 302014E
CHARTERED ACCOUNTANTS

8. Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	₹ in Millions	Number of shares	₹ in Millions
Authorised				
Equity Shares of ₹ 10/- each fully paid	8,50,00,000	850.00	8,50,00,000	850.00
Issued, Subscribed and Paid up Equity Shares of ₹ 10/- each fully paid	8,40,00,000	840.00	8,40,00,000	840.00
Total	**8,40,00,000**	**84,00,00,000**	**8,40,00,000**	**840.00**

8.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year :

	Year ended March 31, 2018		Year ended March 31, 2018	
Particulars	Number of shares	₹ in Millions	Number of shares	₹ in Millions
Shares outstanding at the beginning of the year	8,40,00,000	840.00	8,40,00,000	840.00
Shares issued during the year	-		-	
Shares outstanding at the end of the year	**8,40,00,000**	**840.00**	**8,40,00,000**	**840.00**

8.2 Details of shares held by each shareholder holding more than 5% shares

Equity Shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares				
IL&FS Transportation Networks Limited	8,40,00,000	100%	4,20,00,000	50%
Ramky Infrastructure Limited			4,20,00,000	50%
Total	**8,40,00,000**	**100%**	**8,40,00,000**	**100%**

9. Other Equity

₹ in Millions

Particulars	As at March 31, 2019	As at March 31, 2018
Retained earnings		
Balance at beginning of year	538.89	576.10
Profit / (Loss) attributable to owners of the Company	(4,673.35)	(37.21)
Balance at end of the year	(4,134.46)	538.89
Total	(4,134.46)	538.89

MKPS & ASSOCIATES
FRN 302014E
CHARTERED ACCOUNTANTS

10.Borrowings at amortised cost

₹ in Millions

Particulars	As at March 31, 2019			As at March 31, 2018		
	Long-term	Current portion	Short-term	Long-term	Current portion	Short-term
Secured – at amortised cost						
(i) Bonds / debentures						
- from other parties	7,901.49	-	-	7,651.12	521.81	-
(ii)Term loans						
- from banks	-	-	-			
Unsecured – at amortised cost						
(i)Term loans						
- from related parties	-	-	5,415.39	-	-	5,368.83
Total	**7,901.49**	**-**	**5,415.39**	**7,651.12**	**521.81**	**5,368.83**
Less: Current maturities of long term debt clubbed under "other current liabilities"		-			521.81	
Total	**7,901.49**	**-**	**5,415.39**	**7,651.12**	**-**	**5,368.83**

₹ in Millions

Particulars	As at March 31, 2019			As at March 31, 2018		
	Long-term	Current portion	Short-term	Long-term	Current portion	Short-term
Secured – at amortised cost						
(i) Bonds / debentures						
- from related parties						
- from other parties	8,136.31	-	-	7,925.37	521.81	-
(ii)Term loans						
(i)Term loans						
- from related parties (Refer Note 25)	-	-	5,415.39	-	-	5,368.83
Total	**8,136.31**	**-**	**5,415.39**	**7,925.37**	**521.81**	**5,368.83**

Less Unamortised Cost :

₹ in Millions

Particulars	As at March 31, 2019			As at March 31, 2018		
	Long-term	Current portion	Short-term	Long-term	Current portion	Short-term
Secured – at amortised cost						
(i) Bonds / debentures						
- from other parties	234.82	-	-	274.25	-	-
(ii)Term loans						
- from banks	-	-	-		-	-
Total	**234.82**	**-**	**-**	**274.25**	**-**	**-**

Foot Note:

The Company has issued and alloted 88336 Secured, Redeemable, Listed, Non-Convertible Debentures, in the form of Separately Transferable Redeemable Principal Parts (the "Debentures") of the face value of Rs. 1,00,000/- (Rupees One Lakh only) each, amounting to upto Rs. 883.36 Crore on Private Placement Basis, comprising: (i) 64,120 redeemable, listed, rated, secured non-convertible senior (as per the terms and conditions set forth in the Debenture Documents) debentures aggregating to upto INR 641,20,00,000 (Rupees Six Hundred Forty One Crores and Twenty Lakhs only) ("Series I Debentures" or "Senior Debentures") and (ii) 24,216 redeemable, listed, rated, secured nonconvertible junior (as per the terms and conditions set forth in the Debenture Documents) debentures aggregating to upto INR 242,16,00,000 (Rupees Two Hundred Forty Two Crores and Sixteen Lakhs only) ("Series II Debentures" or "Junior Debentures")
First charge on all the following assets of the Company in favour of the Debenture Trustee, acting for the benefit of the Subscriber ("Security") for Series I:
(i) Hypothecation/Mortgage of all movable, tangible and intangible assets, receivables, current assets, loans & advances, cash and investments created as part of the Projects to the extent permissible under the Concession Agreements;
(ii) A first charge on the Escrow Accounts and the Escrow Sub-accounts maintained by the Issuer, all monies lying in Escrow Accounts and the Escrow Sub-accounts including DSRA and the Major Maintenance Reserve/s, into which all the Project revenues, (excluding claims made towards cost overrun in the Project), All monies received from the Authority, including that under the Concession Agreement, and including all Annuities, All monies / refunds received from O&M contractor/s, All monies/ refunds received due to any revocation of any Contingent Liability. All Insurance proceeds, including Insurance claims settlement and insurance premium refunds etc, Refund of any statutory dues including all tax refunds, All Termination payments made by Authority, are deposited.
(iii) Assignment of the rights, title, benefits, and demands of JSEL under Project documents, to the extent covered by and in accordance with the Substitution Agreement/s as per each Concession Agreements;
(iv) Assignment of all rights under Project guarantees and undertakings obtained pursuant to construction contract, service and operations contract, if any.

MKPS & ASSOCIATES
FRN 302014E
CHARTERED ACCOUNTANTS

2. The details of Unsecured Redeemable Non-Convertible Debentures [NCDs] :

Series of NCDs	Face value per NCD (₹)	Rate of interest % p.a.	Terms of repayment	Date of redemption	No. of NCDs issued	No. of NCDs outstanding 30th September 2018
JSEL NCD 8.30 SERIES 1STRPP-1 2019	1,00,000	8	Semi Annually	1-Mar-19	6,604	1,726
JSEL NCD 8.30 SERIES 1STRPP-2 2020	1,00,000	8	Semi Annually	28-Feb-20	3,823	3,207
JSEL NCD 8.30 SERIES 1STRPP -3 2021	1,00,000	8	Semi Annually	1-Mar-21	4,021	4,021
JSEL NCD 8.30 SERIES 1STRPP- 4 2022	1,00,000	8	Semi Annually	1-Mar-22	4,549	4,549
JSEL NCD 8.30 SERIES 1STRPP 5 2023	1,00,000	8	Semi Annually	1-Mar-23	4,282	4,282
JSEL NCD 8.30 SERIES 1STRPP 6 2024	1,00,000	8	Semi Annually	1-Mar-24	4,619	4,619
JSEL NCD 8.30 SERIES 1STRPP 7 2025	1,00,000	8	Semi Annually	28-Feb-25	4,942	4,942
JSEL NCD 8.30 SERIES 1 STRPP 8 2026	1,00,000	8	Semi Annually	27-Feb-26	6,119	6,119
JSEL NCD 8.30 SERIES 1 STRPP 9 2027	1,00,000	8	Semi Annually	1-Mar-27	6,582	6,582
JSEL NCD 8.30 SERIES 1 STRPP 10 2028	1,00,000	8	Semi Annually	1-Mar-28	6,177	6,177
JSEL NCD 8.30 SERIES 1 STRPP 11 2029	1,00,000	8	Semi Annually	1-Mar-29	6,599	6,599
JSEL NCD 8.30 SERIES 1 STRPP 12 2030	1,00,000	8	Semi Annually	31-Jan-30	5,803	5,803
JSEL NCD 8.45 SERIES 2 STRPP 1 2019	1,00,000	8	Semi Annually	1-Mar-19	2,495	1,268
JSEL NCD 8.45 SERIES 2 STRPP 2 2020	1,00,000	8	Semi Annually	28-Feb-20	1,444	1,444
JSEL NCD 8.45 SERIES 2 STRPP 3 2021	1,00,000	8	Semi Annually	1-Mar-21	1,519	1,519
JSEL NCD 8.45 SERIES 2 STRPP 4 2022	1,00,000	8	Semi Annually	1-Mar-22	1,718	1,718
JSEL NCD 8.45 SERIES 2 STRPP 5 2023	1,00,000	8	Semi Annually	1-Mar-23	1,618	1,618
JSEL NCD 8.45 SERIES 2 STRPP 6 2024	1,00,000	8	Semi Annually	1-Mar-24	1,744	1,744
JSEL NCD 8.45 SERIES 2 STRPP 7 2025	1,00,000	8	Semi Annually	28-Feb-25	1,866	1,866
JSEL NCD 8.45 SERIES 2 STRPP 8 2026	1,00,000	8	Semi Annually	27-Feb-26	2,311	2,311
JSEL NCD 8.45 SERIES 2 STRPP 9 2027	1,00,000	8	Semi Annually	1-Mar-27	2,485	2,485
JSEL NCD 8.45 SERIES 2 STRPP 10 2028	1,00,000	8	Semi Annually	1-Mar-28	2,333	2,333
JSEL NCD 8.45 SERIES 2 STRPP 11 2029	1,00,000	8	Semi Annually	1-Mar-29	2,492	2,492
JSEL NCD 8.45 SERIES 2 STRPP 12 2030	1,00,000	8	Semi Annually	31-Jan-30	2,191	2,191
Total					88,336	81,615

3. Age-wise analysis and Repayment terms of the Company's Long term Borrowings are as below:

₹ in Millions

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	₹	₹	Frequency of Repayment*	Frequency of Repayment*
Less than 1 year	462.40	523.48	Semi Annually	Quarterly
1-3 Years	1,707.40	1,707.40	Semi Annually	Quarterly
3 to 5 years	1,226.30	1,226.30	Semi Annually	Quarterly
5+ years	4,990.00	4,990.00	Semi Annually	Quarterly
Total	8,386.10	8,447.18		

This is based on the contracted terms of repayment notwithstanding the outcome of NCLAT as refered in Note no

4. The company has not booked the finance expense from 16th October 2018 to 31st March 2019 which approximates INR 299.88 Million. This amount is based on the contractual agreed terms and excludes penal/other interest and charges.

5. Loan from related Parties:

Amounts repayable to related parties of the Company as per the respective loan document. Interest of 15.5% - 16.5% per annum is charged on the outstanding loan balances till 15 Oct 2018 (as at March 31, 2018: 15.5% - 16.5% per annum).

The tenure of loan have expired and the respective agreement are to be renewed.

MKPS & ASSOCIATES
FRN 302014E
CHARTERED ACCOUNTANTS

JORABAT SHILLONG EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the Year ended March 31, 2019

11. Other financial liabilities

₹ in Millions

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current	Non Current	Current
Current maturities of long-term debt	-	-	-	521.81
Interest accrued due				
- from related parties	-	257.58		
- On NCD		83.93	-	
Interest accrued and not due				
- from related parties	-	20.23	-	-
- from Other	-	-	-	-
Payable on account of capital assets related party	-	1,764.68	-	1,770.13
Retention Money Payable	-		-	
Other current liabilities	-	14.34	-	5.97
Total	-	**2,140.76**	-	**2,297.91**

12. Other liabilities

₹ in Millions

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current	Non Current	Current
Statutory dues		2.65		8.28
Total	-	**2.65**	-	**8.28**

13. Trade payables

₹ in Millions

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current	Non Current	Current
Trade payables other than MSME				
-Retention Money Related Party	509.25		504.68	
-Trade Payable Related Party		30.15		
-Trade Payable others				
Total	**509.25**	**30.15**	**504.68**	-

Footnote : Based on information received by the Company from its vendors, the amount of principal outstanding in respect of MSME as at Balance Sheet date covered under the Micro, Small and Medium Enterprises Development Act, 2006 is ₹ NIL. There were no delays in the payment of dues to Micro and Small Enterprises.

14. Current tax assets and liabilities

₹ in Millions

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current	Non Current	Current
Current tax assets				
Advance payment of taxes	65.32	22.37	34.33	30.99
Total	**65.32**	**22.37**	**34.33**	**30.99**
Current tax liabilities				
Provision for tax		36.07		36.07
Total	-	**36.07**	-	**36.07**

Provision for tax AY 2018-19	
AY 2018-19	36.07
Tax Deducted at Source	
AY 2019-20	22.37
AY 2018-19	30.99
	30.38
Tax on Regular Assesment	
AY 2011-12	1.00
AY 2012-13	2.47
AY 2014-15	0.48

MKPS & ASSOCIATES FRN 302014E CHARTERED ACCOUNTANTS

JORABAT SHILLONG EXPRESSWAY LIMITED
Notes forming part of the Financial Statements for the Year ended March 31, 2019

15. Revenue from operations

₹ in Millions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) Operation and maintenance income	105.06	104.44
(b) Finance income	803.52	784.93
(c) Construction income	172.13	2,056.54
(d) Overlay income	34.24	
Total	1,114.94	2,945.90

16. Other Income

₹ in Millions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest on bank deposits (at amortised cost)	3.38	4.36
Claim from authority	-	390.12
Interest on Claims	-	447.95
Mark to Market Gain on Investment	34.34	8.53
Profit on sale of investment (net)	29.36	3.47
Total	67.08	854.43

17. Cost of Material Consumed & Construction Cost

₹ in Millions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Construction contract costs	159.74	1,931.35
Total	159.74	1,931.35

Footnote:
Construction contract cost is net of realisation of dues from NHAI of Rs 6.41 mn towards change of scope

18. Operating Expenses

₹ in Millions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Operation and maintenance expenses	97.07	98.14
Periodic maintenance expenses	32.32	-
Total	129.39	98.14

19. Employee benefits expense

₹ in Millions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and Wages	0.15	0.21
Total	0.15	0.21

20. Finance costs

₹ in Millions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) Interest costs		
Interest on bank overdrafts, loans and debentures		
Interest on loans for fixed period		569.36
Interest on debentures	348.45	190.27
Interest on loans from related parties	308.74	703.00
Modification gain/loss	1,805.76	-
Finance charges	39.31	108.20
Total (a+b+c+d)	2,502.26	1,570.82

In view of imposition of moratorium by NCLAT vide its order dated 15th Oct 2018, the company have not made provision for interest on funds borrowed. Details of the same is as under:

	1-10-18 to 15-10-18	16-10-2018 to 31-03-19
Interest due to		
LIVIA		
ILFS AIRPORT	10.50	116.91
STAMP	4.08	45.39
SABARMATI	3.82	42.55
ROHTAS BIO ENERGY LTD	4.08	45.39
NCD		
JR	7.77	85.98
Sr	20.21	223.63
Total	50.45	559.84

MKPS & ASSOCIATES
FRN 302014E
CHARTERED ACCOUNTANTS

21. Provision for Impairment of Financial assets

₹ in Millions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Provision for Impairment of Financial assets	1,622.84	-
Total depreciation and amortisation	1,622.84	-

22. Other expenses

₹ in Millions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Legal and consultation fees	52.07	162.43
Independent Enigineer Fees	14.00	27.62
Telephone Expenses	0.19	-
Travelling and conveyance	0.00	0.29
Rates and taxes	0.72	6.26
Insurance	-	3.06
Directors' fees	0.28	0.66
Payment to auditors	0.72	0.62
Miscellaneous expenses	0.35	0.03
Total	68.33	200.96

22.1 Payments to auditors

₹ in Millions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
a) For audit	0.45	0.34
b) For other services	0.27	0.28
c) For reimbursement of expenses	0.00	0.01
Total	0.72	0.62

23. Income taxes

23.1 Income tax recognised in profit or loss

₹ in Millions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
In respect of the current period	-	36.07
In respect of prior period		
	-	36.07
Deferred tax		
In respect of the current period	-	-
	-	-
Total income tax expense recognised in the current period relating to continuing operations	-	36.07

MKPS & ASSOCIATES
FRN 302014E
CHARTERED ACCOUNTANTS

24. Earnings per share

Particulars	Unit	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year attributable to owners of the Company	₹ in Millions	(4,673.35)	(37.21)
Weighted average number of equity shares	Number	8,40,00,000	8,40,00,000
Nominal value per equity share	₹	10	10
Basic / Diluted earnings per share	₹	**(55.64)**	**(0.44)**

MKPS & ASSOCIATES * CHARTERED ACCOUNTANTS * FRN 302014E

JORABAT SHILLONG EXPRESSWAY LIMITED
Notes forming part of the Financial Statements for the Year ended March 31, 2019

25. Financial instruments

25.1 Capital management

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The company is not subject to any externally imposed capital requirements.

25.1.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows. ₹ In Millions

Particulars	As at March 31, 2019	As at March 31, 2018
Debt (i)	13,316.88	13,541.76
Cash and bank balances (including cash and bank balances in a disposal company held for sale)	70.36	62.14
Net debt	13,246.52	13,479.61
Equity (ii)	(3,294.46)	1,378.89
Net debt to equity ratio	(4)	10

25.2 Categories of financial instruments

₹ in Millions

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets		
Cash and bank balances (including cash and bank balances in a disposal company held for sale)	70.36	62.14
Investments	1,259.20	833.00
Receivable Under Service Concession Arrangement	8,759.59	11,886.63
Others	2,521.49	4,382.24
Total	12,610.64	17,164.01
Financial liabilities		
Borrowings (including Interest Accrued)	13,316.88	13,541.76
Other financial liabilities	2,650.01	2,280.78

The company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

25.3.1 Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's loss for the year ended Sep 30, 2018 would increase/decrease by Rs.67.71Mn/-

25.4 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the company uses other publicly available financial information and its own trading records to rate its major customers. The company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

25.5 Liquidity risk management

25.5.1 Liquidity and interest risk tables

The following table details the company's financial liabilities without calculating future interest there on. Future interest and expected maturity of these financial instrument could not be disclosed as it is undetermined due to NCLT order(refer Note 35)

Particulars	As at March 31, 2019			As at March 31, 2018		
	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments*	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments
Financial Liability						
Borrowing (Inc Accr Interest & Current Maturity)		-	13,316.88		-	13,541.76
Trade Payable	539.39			504.68		
Others Financial Liabilities	2,110.61		-	1,776.10		-

MKPS & ASSOCIATES
FRN 302014E
CHARTERED ACCOUNTANTS

26. Related Party Disclosures

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used	For FY 2018-19	March 2018
Jointly Controlled Entities - Direct (Entiities having joint control)	IL&FS Transportation Networks Limited	ITNL	Yes	Yes
	Ramky Infrastructure Limited (Upto August 16 2018)	RIL	Yes	Yes
Holding Company of ITNL	Infrastructure Leasing & Financial Services Limited	IL&FS	Yes	Yes
Directors & Key Management Personnel ("KMP")	Mr. Aalok Anandmani :- Resigned as on 30/09/2018	Manager	Yes	Yes
	Mr. Makarand Sahasrabuddhe Resigned as on 26/09/2018	CFO	Yes	Yes
	Mr. Milan Chakravarti:- Resigned as on 24/12/2018	Independent Director	Yes	Yes
	Mr. Yancharla Ratnakara Nagaraja:- 16/08.2018	Director	Yes	Yes
	Mr. Goutam Mukherjee:-24/12/2018	Independent Director	Yes	Yes
	Mr. Subhash Chandra Sachdev:- 20/03/2019	Director	Yes	Yes
	Mr. Vijay Kini	Director	Yes	Yes
	Mr. Sanikommu Srikanthreddy:-16/08/2018	Director	Yes	Yes
	Mr. M. B. Bajulge	Director	Yes	Yes
	Mr. Divakar Marri:27/07/2018	Director	Yes	Yes
	Mr. Rajnish Saxena :- 19/03/2019	Director	Yes	No
	Mr. H.K. Lash:- 19/03/2019	Director	Yes	No
	Mr. Nachiket Sohani:-20/09/2018	Company Secretary	Yes	Yes
Fellow Subsidiaries of ITNL (Only with whom there have been transaction during the period/ there was balance outstanding at the year end))	IL&FS Airport Limited	IAPL	Yes	Yes
	Livia India Limited	LIVIA	Yes	Yes
	Sabarmati Capital One Limited	SABARMATI 1	Yes	No
	Skill Training Assessment Management Partners Ltd.	STAMP	Yes	No
	Rohtas Bio Energy Limited	RBEL	Yes	Yes
	IL&FS Financial Services Limited	IFIN	Yes	Yes
	Elsamex Maintenance Services Limited	EMSL	Yes	No

MKPS & ASSOCIATES * CHARTERED ACCOUNTANTS * FRN 302014E

JORABAT SHILLONG EXPRESSWAY LIMITED
Notes forming part of the Financial Statements for Year ended March 31, 2019

26. Related Party Disclosures (contd.)

Year ended March 31, 2019

(b) transactions/ balances with above mentioned related parties (mentioned in note 25 above)

₹ in Millions

Particulars	Company's Name	Ultimate Holding Company	Fellow Subsidiaries of ITNL	Joint Arrangements	Directors & KMPs	Total
Balance						
Creditors payable	ITNL	-	-	1,678.94	-	1,678.94
Creditors payable	Elsamex		156.25	-		156.25
Share Capital	ITNL	-		840.00	-	840.00
Retention Money payable	ITNL	-		512.09	-	512.09
Short Term Loan	ITNL	-		1,978.39	-	1,978.39
Interest Payable on STL	LIVIA		45.00			45.00
Fees payable	IL&FS	10.27	-		-	10.27
Fees payable	IFIN	-	71.55		-	71.55
Short Term Loan	SABARMATI 1	-	600.00		-	600.00
Interest Payable on STL	SABARMATI 1		45.40			45.40
Short Term Loan	STAMP		620.00			620.00
Interest Payable on STL	STAMP		56.12			56.12
Short Term Loan	IAPL		1,597.00			1,597.00
Interest Payable on STL	IAPL		82.91			82.91
Interest Payable on STL	RBEL		48.38			48.38
Short Term Loan	RBEL		620.00		-	620.00
Transactions						-
Road Development cost charge	ITNL	-	-	148.29	-	148.29
Overlay Charges	ITNL			32.96		32.96
Operation & Maintenance Cost	Elsamex			14.20		
Operation & Maintenance Cost	ITNL	-	-	65.86	-	65.86
Short Term Loan Taken	ITNL	-	-	826.56	-	826.56
Claim Manangement Fees	ITNL			33.33	-	33.33
Interest on Short Term Loan	LIVIA		50.00			50.00
Interest on Short Term Loan	RBEL		53.81			53.81
Interest on Short Term Loan	SABARMATI 1		50.45			50.45
Interest on Short Term Loan	IAPL		92.12			92.12
Loan Taken	IAPL		1,400.00			1,400.00
Loan Repaid	LIVIA		1,400.00			1,400.00
Short term Loan Repaid	STAMP		780.00			780.00
Interest on Short Term Loan	STAMP		62.36			62.36

MKPS & ASSOCIATES
FRN
302014E
CHARTERED ACCOUNTANTS

Year ended March 31, 2018 ₹ in Millions

Particulars	Company's Name	Notes 1 to 31 form part of the financial statements.	Fellow Subsidiaries of ITNL	Joint Arrangements	Directors & KMPs	Total
Balance						
Creditors payable	ITNL	-	-	1,641.86	-	1,641.86
Mobilisation advance	ITNL	-	-	-	-	-
Share Capital	ITNL	-		420.00	-	420.00
Retention Money payable	ITNL	-		504.68	-	504.68
Short Term Loan	ITNL	-		1,151.83	-	1,151.83
Short Term Loan	LIVIA	-	1,400.00		-	1,400.00
Fees payable	IL&FS	57.02	-		-	57.02
Fees payable	IFIN	-	71.55		-	71.55
Short Term Loan	SABARMATI 1	-	600.00		-	600.00
Short Term Loan	STAMP		1,400.00			1,400.00
Short Term Loan	IAPL		197.00			197.00
Interest Paid in Advance	RBEL		0.06			0.06
Short Term Loan	RBEL		620.00		-	620.00
Director Fees	Milan Chakravarti		0.08			0.08
Director Fees	Vijay Kini		0.06			0.06
Director Fees	Goutam Mukherjee		0.08			0.08
Director Fees	Subhash Chandra Sachdev		0.02			0.02
Salary	Nachiket Sohani		0.15	-	-	0.15

Particulars	Company's Name	Notes 1 to 31 form part of the financial statements.	Fellow Subsidiaries of ITNL	Joint Arrangements	Directors & KMPs	Total
Transactions						
Road Development cost charge	ITNL	-	-	1,996.32	-	1,996.32
Deputation Cost	ITNL	-	-	0.40	-	0.40
Operation & Maintenance Cost	ITNL	-	-	103.60	-	103.60
Retention Money adjusted	ITNL			97.91		
Short Term Loan Taken	ITNL	-	-	4,083.85	-	4,083.85
Short Term Loan Repaid	ITNL	-	-	5,092.58	-	5,092.58
Interest STL	ITNL			178.23	-	178.23
Mobilisation Advance adjusted	ITNL			55.66	-	55.66
Claim Manangement Fees	ITNL			152.81	-	152.81
Finance Charges	ITNL			69.14	-	69.14
OPE	ITNL			0.05	-	0.05
Syndication fees	IL&FS	62.30			-	62.30
Syndication fees	IFIN		78.18			78.18
Interest on Short Term loan Paid	IFIN		0.20			0.20
Short term Loan Repaid	IFIN		600.00			600.00
Short Term Loan Taken	IFIN		600.00			600.00
Short Term loan Repaid	ICDIL		7.00			7.00
Interest on Short Term Loan Accrued & Pai	ICDIL		0.38			0.38
Short term Loan Taken	LIVIA		1,400.00			1,400.00
Short Term Loan Repaid	LIVIA		800.00			800.00
Interest on Short Term Loan	LIVIA		168.96			168.96
Short term Loan Taken	SABARMATI 1		600.00			600.00
Interest on Short Term Loan	SABARMATI 1		54.78			54.78
Short term Loan Taken	RBEL		800.00			800.00
Short Term Loan Repaid	RBEL		180.00			180.00
Interest on Short Term Loan	RBEL		85.63			85.63
Short term Loan Taken	STAMP		3,400.00			3,400.00
Short term Loan Repaid	STAMP		2,000.00			2,000.00
Interest on Short Term Loan	STAMP		154.21			154.21
Short term Loan Taken	IAPL		200.00			200.00
Short term Loan Repaid	IAPL		3.00			3.00
Interest on Short Term Loan	IAPL		18.89			18.89
Short Term Loan Repaid	ICDIL		7.00			7.00
Salary	Nachiket Sohani				0.12	-
Director Fees	Milan Chakravarti				0.15	0.15
Director Fees	Yancharla Ratnakara Nagaraja				0.02	0.02
Director Fees	Goutam Mukherjee				0.15	0.15
Director Fees	Subhash Chandra Sachdev				0.06	0.06
Director Fees	Vijay Kini				0.12	0.12
Director Fees	Sanikommu Srikanthreddy				0.02	0.02
Director Fees	M Bajulge				0.03	0.03

MKPS & ASSOCIATES
FRN 302014E
CHARTERED ACCOUNTANTS

JORABAT SHILLONG EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the Year ended March 31, 2019

27. Commitments for expenditure

₹ in Millions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
IL&FS Transportation Networks Limited (a)Estimated amount of contracts remaining to be executed on Operation and Maintainence and not provided for	1,604.66	2,075.34
IL&FS Transportation Networks Limited (b)Estimated amount of contracts remaining to be executed on Overlay expenses and not provided for	1,012.71	1,003.23

28. Contingent Liability

Contingent Liability in respect of claim filed by creditor is Rs 0.368 Mn.

29. Segment Information

As the Company operates in a single business as well as geographical segment, disclosures required under INDAS-108 on 'Operating Segment' have not been given.

30. Impairment of Financial Assets

IL & FS Board has been working on a resolution plan, with a view to enable value preservation for stakeholders of IL & FS group. The resolution plan, inter alia, involves sale of assets / business / companies owned by IL & FS Group. Further, in this regard, IL & FS Board has on December 21, 2018 invited public Expression of interest (EOI) as part of the divestment process. The Company has received a bid from an external party and the same has been accepted by the Board of Directors of ITNL and IL&FS (the ultimate holding Company). While the final price is subject to various adjustments, the Company has used the bid price to determine the fair value of the asset. Shortfall in the value of the bid as compared to the carrying cost of the assets in the books of the Company as on March 31, 2019 has been recognized as impairment in the value of these assets in the financial statement.

31. Order of NCLT for re-opening and re-casting of financial statements :

The National Company Law Tribunal ("NCLT"), vide order dated January 1, 2019, had allowed a petition filed by the Union of India, for re-opening of the books of accounts and re-casting the financial statements under the provisions of Section 130 of the Companies Act, 2013 for the financial years from 2012-13 to 2017-18, of Infrastructure Leasing & Financial Services Limited ("IL&FS"), and its subsidiaries namely IL&FS Financial Services Limited ("IFIN") and IL&FS Transportation Networks Limited ("ITNL"), the parent Company. The said exercise is going on and not yet concluded. Pending completion of the exercise the Management is not able to determine any impact on these financial statements of the Company.

32. Investigations by Serious Fraud Investigation Office ("SFIO") and other regulatory agencies :

The Ministry of Corporate Affairs (MCA), Government of India, has vide its letter dated October 1, 2018 initiated investigation by Serious Fraud Investigation Office (SFIO) against IL&FS and its group companies under Section 212 (1) of the Companies Act, 2013. As a part of its investigation, SFIO has been seeking information from the Company on an ongoing basis. The investigation is in progress and the Company is fully cooperating with the investigating agencies. The implications if any, arising from the aforesaid developments would be known only after the aforesaid matters are concluded and hence are not determinable at this stage.

MKPS & ASSOCIATES
FRN 302014E
CHARTERED ACCOUNTANTS

33. Forensic Examination :

The Board of Directors of IL & FS (ultimate holding Company) in January, 2019 initiated a forensic examination for the period from April 2013 to September 2018, in relation to the certain Companies of the Group, and has appointed an independent third party for performing the forensic audit and to report the findings. The Company is not in the list of Companies identified by the Board of Directors of IL & FS for forensic audit. The independent third party has submitted their interim report in relation to the audit of ITNL (the holding Company) and the observations contained therein related primarily to the operations of ITNL

Given that the report is interim in nature and pending full completion of the examination, specific adjustment if any related to the Company arising from the said forensic audit of ITNL, has not been determined. Hence no adjustments have been recorded in these financial statements for any consequential effects / matters that may arise in this regard.

34. Creditors Claim Process :

Pursuant to the "Third Progress Report – Proposed Resolution Framework for the IL&FS Group" dated 17 December, 2018 and the "Addendum to the Third Progress Report – Proposed Resolution Framework for IL&FS Group" dated January 15, 2019 ("Resolution Framework Report") submitted by the Company to the Ministry of Corporate Affairs, Government of India which, in turn, was filed with the Hon'ble National Company Law Appellate Tribunal ("NCLAT"), the creditors of the Company were invited (via advertisement(s) dated May 22, 2019) to submit their claims as at October 15, 2018 with proof, on or before 5 June, 2019 (later extended till February 5, 2020)) to a Claims Management Advisor ("CMA") appointed by the IL&FS Group. The amounts claimed by the financial and operational creditors are assessed for admission by the CMA.

The CMA, vide their various communications to the management of the Company, have submitted their report on the status of the claims received and its admission status. The report is subject to updation based on additional information / clarification that may be received from the creditors in due course.

Management of the Company is in the process of reviewing the claims made by third parties with the CMA, and reconciliation of such claims with the corresponding amounts as per the Company's books of account. Having regard to the nature, volume and value of claims received, management is of the view that due process will need to be applied to all such claims, in order to finally determine the level of present obligations that would need to be recognised by the Company as liabilities. Accordingly, no adjustments have been made in this regard to these financial statements.

35. Non-compliance of applicable laws and regulations :

As a consequence of the matter above and various other matters discussed in these financial statements, the Company is not in compliance with various laws and regulations, including but not limited to the Companies Act 2013. Management is in the process of evaluating the financial and other consequences arising from such non-compliance and of making a comprehensive assessment of other non-compliances, to determine the impact / consequences, including financial and operational impact, of such non-compliances on the Company. Pending final determination and assessment thereof, no adjustments have been made to these Financial Statements.

36. Debt servicing:

National Company Law Appellate Tribunal ("NCLAT") had passed an order on October 15, 2018 ("Interim Order") in Company Appeal (AT) 346 of 2018, imposing moratorium on the creditors of IL&FS and its 348 group companies, which includes the Company. Further, NCLAT vide its order dated February 11, 2019 had also classified the Company under the "Amber Category" based on a 12 month cash flow solvency test, indicating it is not in a position to discharge its entire Debt as and when due. Accordingly, the Company is permitted to make only those payments necessary to maintain and preserve the going concern status. This consequently also resulted in downgrade of debt ratings of the Company. NCLAT wide its order dated March 12, 2020, had upheld its interim order of October 15, 2018.The said order specifciesspecifies October 15, 2018 as the date of initiation of the Resolution Process of the Company. Accordingly the Company has not accrued any interest , default interest, penal interest and any other similar charges after the said cut cut-off date of October 15,2018 and also not repaid any principle amount of debt due.

37. Modification Loss

Based on the re-assessment of the estimates of operation and maintenance and periodic maintenance cost as well as with respect to reduction in number of annuities there has been a remeasurment of the financial assets of the company. Additionally, based on the settlement of claim filed with NHAI, the end of concession period has been changed to Jaunary 2031 from January 2033. This alongwith other factors (recovery by NHAI towards damages, delay in receipt of annuities) has resulted into modification loss of Rs 1,805.76 million in accordance with the principle of IND-AS 109

38. Claim Settelment

Subsequent to March 31, 2019, the company has received the order of Conciliation from NHAI in respect to various claims preferred by the company. The order has been accepted by the company and hence there is a finality w.r.t. the status of the claim. Necessary effect in respect of claim admitted has been taken in the books and consequently, amount recognised as Claim asset in earlier years in excess of amounts admitted have been written off.

39 Approval of financial statements

The Financial statements were approved for issue by the Board of Directors at their meeting on April 21, 2020

In terms of our report attached.

For MKPS & Associates
Chartered Accountants
Firm Registration Number-302014E

Narendra Khandal
Partner
Membership Number -065025

Place: Mumbai
Date :

MKPS & ASSOCIATES FRN 302014E CHARTERED ACCOUNTANTS

For and on behalf of the Board

Vijay Kini
Director
DIN:06612768

Rajnish Saxena
Director
DIN:05188337

Place: Mumbai
Date :

Jorabat Shillong Expressway Limited
General Information & Significant Accounting Policies

1. General information

The Jorabat Shillong Project ("JSP") is a concession arrangement granted by the "NHAI" for a period of 20 years including construction period of three years form appointed date to Jorabat Shillong Expressway Limited ("JSEL"). Besides construction, JSEL's obligations include routine maintenance and period maintenance of the flexible pavement and the rigid pavement at predefined intervals. In consideration JSEL is entitled to a defined annuity. At the end of the concession period JSEL is required to be handed over in a stipulated condition to the grantor. The concession arrangement does not provide for renewal options

Note No-2

2. Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for the following asset and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these [consolidated] financial statements is determined on this basis.

2.3 Use of estimates

The preparation of financial statements in conformity with IND AS requires the Management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The

MKPS & ASSOCIATES
FRN
302014E
CHARTERED ACCOUNTANTS

recognition, measurement, classification or disclosures of an item or information in the financial statements have been made relying on management estimates to a greater extent.

2.4 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

MKPS & ASSOCIATES
FRN
302014E
CHARTERED ACCOUNTANTS

External valuers are involved for valuation of significant assets, such as properties and significant liabilities, such as contingent consideration.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.
This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

2.5 Accounting for rights under service concession arrangements and revenue recognition

i. Recognition and measurement

The Company builds, operates and maintains infrastructure assets under public-to-private Service Concession Arrangements (SCAs), which is an arrangement between the "grantor" (a public sector entity/authority) and the "operator" (a private sector entity) to provide services that give the public access to major economic and social facilities utilizing private-sector funds and expertise. The infrastructures accounted for by the Company as concessions are mainly related to the activities concerning roads.

Concession contracts are public-private agreements for periods specified in the SCAs including the construction, up gradation, restoration of infrastructure and future services associated with the operation and maintenance of assets in the concession period. Revenue recognition, as well as, the main characteristics of these contracts are detailed in Note 33

With respect to service concession arrangements, revenue and costs are allocated between those relating to construction services and those relating to operation & maintenance services, and are accounted for separately. Consideration received or receivable is allocated by reference to the relative fair value of services delivered when the amounts are separately identifiable. The infrastructure used in a concession are classified as an intangible asset or a financial asset, depending on the nature of the payment entitlements established in the concession agreement.

When the amount of the arrangement consideration for the provision of public services is substantially fixed by a contract, the Company recognizes revenues from construction services for public facilities (infrastructures) by the percentage-of-completion method, and recognizes the consideration as a financial asset and the same is classified as "Receivables against Service Concession Arrangements". The Company accounts for such financial assets at amortized cost, calculates interest income based on the effective interest method and recognizes it in revenue as Finance Income.

ii. Contractual obligation to restore the infrastructure to a specified level of serviceability

MKPS & ASSOCIATES
FRN
302014E
CHARTERED ACCOUNTANTS

The Company has contractual obligations to maintain the infrastructure to a specified level of serviceability or restore the infrastructure to a specified condition during the concession period and/or at the time of hand over to the grantor of the SCA. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. In case of concession arrangements under financial asset model, such costs are recognized in the period in which such costs are actually incurred.

iii. Revenue recognition

Once the infrastructure is in operation, the treatment of income is as follows:

Finance income for concession arrangements under financial asset model is recognized using the effective interest method. Revenues from operations and maintenance services and overlay services are recognized in each period as and when services are rendered in accordance with Ind AS 115 Revenue.

iv. Revenue from construction contracts

The Company recognizes and measures revenue, costs and margin for providing construction services during the period of construction of the infrastructure in accordance with Ind AS 115 'Construction Contracts'.
When the outcome of a construction contract can be estimated reliably and it is probable that it will be profitable, contract revenue and contract costs associated with the construction contract are recognized as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs.

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

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognized in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognized only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognized as an expense in the period in which they are incurred.

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

MKPS & ASSOCIATES
FRN 302014E
CHARTERED ACCOUNTANTS

v. Borrowing cost related to SCAs

In case of concession arrangement under financial asset model, borrowing costs attributable to construction of the infrastructure are charged to Statement of Profit and Loss in the period in which such costs are incurred.

In case of concession arrangement under intangible asset model, borrowing costs attributable to the construction of infrastructure assets are capitalized up to the date of the final completion certificate of the asset / facility received from the authority for its intended use specified in the Concession Agreement. All borrowing costs subsequent to the capitalization of the intangible assets are charged to the Statement of Profit and Loss in the period in which such costs are incurred.

2.6 Borrowing costs

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to the financing of construction of development of assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which tare incurred.

2.7 Taxation

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The provision for tax is taken for each consolidating entity on the basis of the standalone financial statements prepared under Ind AS by that entity and aggregated for the purpose of the consolidated financial statements.

MKPS & ASSOCIATES
FRN 302014E
CHARTERED ACCOUNTANTS

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets (including unused tax credits such as MAT credit and unused tax losses such as carried forward business loss and unabsorbed depreciation) are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of to recover or settle the carrying amount of its assets and liabilities.

2.8 Property, plant and equipment

MKPS & ASSOCIATES
FRN
302014E
CHARTERED ACCOUNTANTS

Property, plant and equipment acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses, such as delivery and handling costs, installation, legal services and consultancy services, directly attributable to bringing the asset to the site and in working condition for its intended use.

Where the construction or development of any asset requiring a substantial period of time to set up for its intended use is funded by borrowings, the corresponding borrowing costs are capitalized up to the date when the asset is ready for its intended use.

All assets are depreciated on a Straight Line Method (SLM) of Depreciation, over the useful life of assets as prescribed under Schedule II of the Companies Act, 2013.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying of the asset and is recognized in profit or loss.

2.9 Impairment of tangible assets/intangible asset

At the end of each reporting period, the Company reviews the carrying amounts of its tangible /intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount rate.

Recoverable amount is the higher of fair value less costs of disposal and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

MKPS & ASSOCIATES
FRN 302014E
CHARTERED ACCOUNTANTS

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.10 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.
The amount recognized 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).

2.11 Financial instruments

Financial assets and financial liabilities are recognized when a 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 ("FVTPL) are recognized immediately in the statement of profit and loss.

2.12 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

2.12.1 Classification of financial assets – debt instruments

MKPS & ASSOCIATES * CHARTERED ACCOUNTANTS * FRN 302014E

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

2.12.2 Amortized cost and Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

2.12.3 Financial assets at FVTPL

Debt instruments that do not meet the amortized cost or FVOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortized cost or FVOCI criteria but are designated as at FVTPL are measured at FVTPL.

A debt instrument that meets the amortized cost or FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss is included in in the "Other income" line item.

2.12.4 Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

MKPS & ASSOCIATES
FRN 302014E
CHARTERED ACCOUNTANTS

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these illustrative financial statements)
c) Loan commitments which are not measured as at FVTPL

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. However, for trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. In cases where the amounts are expected to be realized upto one year from the due date, loss for the time value of money is not recognized, since the same is not considered to be material.

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

2.12.3 Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

2.12.3.1 Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows

MKPS & ASSOCIATES
FRN 302014E
CHARTERED ACCOUNTANTS

from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If [the Company] the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g., when the Company retains an option to repurchase part of a transferred asset), [the Company] the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.12.4 Modification of Cash Flows of financial assets and revision in estimates of Cash flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with Ind AS 109, the Company recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred are adjusted to the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

If the Company revises its estimates of payments or receipts (excluding modifications and changes in estimates of expected credit losses), it adjusts the gross carrying amount of the financial asset or amortized cost of a financial liability to reflect actual and revised estimated contractual cash flows. The Company recalculates the gross carrying amount of the financial asset or amortized cost of the financial liability as the present value of the estimated future contractual cash flows that are discounted at the financial instrument's original effective interest rate. The adjustment is recognized in profit or loss as income or expense.

2.13 Financial liabilities and equity instruments-

MKPS & ASSOCIATES * CHARTERED ACCOUNTANTS * FRN 302014E

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

2.13.1 Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

2.13.2 Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method

2.13.3 Financial liabilities subsequently measured at amortised cost

Financial liabilities are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.13.4 Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

2.14 Cash and cash equivalents

The statement of cash flows shows the changes in cash and cash equivalents arising during the year from operating activities, investing activities and financing activities

The cash flows from operating activities are determined by using the indirect method. Net

MKPS & ASSOCIATES
FRN
302014E
CHARTERED ACCOUNTANTS

income is therefore adjusted by non-cash items, such as measurement gains or losses, changes in provisions, impairment of property, plant and equipment and intangible assets, as well as changes from receivables and liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated. Interest received or paid is classified as operating cash flows

The cash flows from investing and financing activities are determined by using the direct method

2.15 Earnings Per Share :

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

2.16 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

The amount recognized 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).

MKPS & ASSOCIATES
FRN 302014E
CHARTERED ACCOUNTANTS

Note : 3

3.1 Critical accounting judgments

The preparation of Financial Statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the Financial Statements and the reported amounts of income and expenses for the periods presented.

Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. In case the actual results are different those from estimates, the effect thereof is given in the financial statements of the period in which the events materialize. Any change in such estimates is accounted prospectively.

The matters to be disclosed will be dictated by the circumstances of the individual entity, and by the significance of judgements and estimates made to the performance and financial position of the entity. Instead of disclosing this information in a separate note, it may be more appropriate to include such disclosures in the relevant asset

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

3.2 Key sources of estimation of uncertainty

Key source of estimation of uncertainty at the date of Financial Statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of-

a) Periodical Major Maintenance
The management, estimates expenditure w.r.t periodic major maintenance by using a model that incorporates a number of assumptions, including the life of the concession agreement, annual traffic growth and the expected cost of the periodic major maintenance which are considered as reasonable by the management.

b) Recovery of Claim filed with Authority
The management estimates the quantum and timing of claim which is expected to be received from the Authority based on the independent opinion from independent techno-commercial expert

c) Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not

MKPS & ASSOCIATES * FRN 302014E * CHARTERED ACCOUNTANTS feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 34 for further disclosures.

3.3 Standard Issued but not yet effective

The Ministry of Corporate Affairs (MCA), on 28 March 2018, notified Ind AS 115, Revenue from Contracts with Customers, as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The new standard is effective for accounting periods beginning on or after 1 April 2018. Since the company is in annuity project there will be no material impact on revenue accounting followed by the company.

a) Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases which will replace the existing lease Standard, Ind AS 17 Leases, and related Interpretations.

The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company does not have any impact on adoption of Ind AS 12 Appendix C.

c) Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact this amendment on the its financial statements.

d) Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, ‘Employee Benefits’, in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

MKPS & ASSOCIATES
FRN 302014E
CHARTERED ACCOUNTANTS