BOARD'S REPORT (SECTION 134)

Dear Members,

The Directors have pleasure in presenting their report and Audited Accounts for the year ended March 31, 2018.

1. FINANCIAL RESULTS / FINANCIAL HIGHLIGHTS:

(₹ in crore)

Particulars	**2017-18**	*2016-17*
Profit / (Loss) Before Depreciation, exceptional items & Tax	**33.14**	*25.59*
Less: Depreciation, amortization, impairment and obsolescence	**17.71**	*15.58*
Profit / (Loss) before exceptional items and tax	**15.43**	*10.00*
Add: Exceptional Items	**–**	*–*
Profit / (Loss) before tax	**15.43**	*10.00*
Less: Provision for tax	**4.34**	*0.18*
Profit for the period carried to the Balance Sheet	**11.09**	*9.82*
Add: Balance brought forward from previous year	**(92.28)**	*(94.41)*
Balance available for disposal (which the Directors appropriate as follows)	**(81.19)**	*(84.59)*
Debenture Redemption Reserve	**7.45**	*7.69*
Balance to be carried forward	**(88.65)**	*(92.28)*

2. CAPITAL & FINANCE:

The Company has redeemed Non – Convertible Debentures worth ₹.2.00 crore.

3. CAPITAL EXPENDITURE:

As at March 31, 2018 the gross fixed and intangible assets including leased assets, stood at ₹.309.15 crore and the net fixed and intangible assets, including leased assets at ₹.148.08 crore. Capital Expenditure during the year amounted to ₹.0.12 crore.

4. DEPOSITS:

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

5. DEPOSITORY SYSTEM:

As on March 31, 2018, the shares of the Company are held in the following manner:

Equity shares:

More than 99.99% of the Company's equity paid up capital representing 56499994 equity shares @ ₹.10/- each are in dematerialized form. 6 equity shares @ ₹.10/- each respectively are in physical form.

Debentures:

100000 Debentures @ ₹.10,000/- each are in dematerialized form.

6. SUBSIDIARY COMPANIES:

The Company has no Subsidiary/Associate/Joint Venture Companies.

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

Since the Company is engaged in the business of developing infrastructure facility, the provisions of Section 186 of the Companies Act 2013 (Act) except sub-section (1) are not applicable to the Company.

8. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

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

9. STATE OF COMPANY AFFAIRS:

The gross revenue and other income for the financial year under review were ₹.81.43 crore as against ₹.70.15 crore for the previous financial year registering an increase of 16.08%. The profit before tax and profit after tax was ₹.11.09 crore for the financial year under review as against ₹.9.82 crore for the previous financial year registering an increase of 12.93%.

10. AMOUNT TO BE CARRIED TO RESERVE:

During the year, the company transferred ₹.7.46 crore to Debenture redemption reserves.

11. DIVIDEND:

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

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

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

13. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS

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

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

Conservation of Energy and Technology absorption

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

Foreign exchange earnings and outgo

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

15. RISK MANAGEMENT POLICY:

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

16. CORPORATE SOCIAL RESPONSIBILITY:

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

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

Mr. T. S. Venkatesan, Director retired by rotation at the Annual General Meeting held on September 27, 2017 and was reappointed as Director.

Mr.Manoj Kumar Singh, resigned as director of the Company with effect from December 31, 2017.

Following is the composition of the Board of Directors of the Company as on March 31, 2018:

S No	Name	Designation
1	Mr. T.S.Venkatesan	Director
2	Mr. Mathew George	Director
3	Mr. N.Raghavan	Independent Director
4	Dr.Ashwin Mahalingam	Independent Director

The Key Managerial Personnel (KMP) of the Company as on March 31, 2018 are:

S No	Name	Designation
1	Mr. MVVSS.Ramalingeswara Rao	Chief Financial Officer
2	Mr. Madan Mohan Vangara	Manager
3	Mr. Nagarajan Venkataraman	Company Secretary

Number of Meetings of the Board of Directors

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

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

Date	Board Strength	No of Directors Present
April 25, 2017	5	3
July 18, 2017	5	3
October 16, 2017	5	2
January 19, 2018	4	3

Information to the Board

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

- Annual revenue budgets and capital expenditure plans
- Quarterly financials and results of operations
- Financing plans of the Company
- Minutes of the meeting of the Board of Directors, Audit Committee (AC), Nomination and Remuneration Committee (NRC)
- Report on fatal or serious accidents
- Any materially relevant default, if any, in financial obligations to and by the Company
- Any issue which involves possible public or product liability claims of substantial nature, including any Judgement or Order, if any, which may have strictures on the conduct of the Company
- Development in respect of human resources
- Compliance or non-compliance of any regulatory, statutory nature or listing requirements and investor service

Presentations are made regularly to the Board/NRC/Audit Committee (minutes of Board, AC and NRC are circulated to the Board), where Directors get an opportunity to interact with senior managers. Presentations, interalia cover business strategies, management structure, HR policy, management development and planning, half-yearly and annual results, budgets, treasury, review of Internal Audit, risk management, operations of subsidiaries and associates, etc.

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

Audit Committee

The Company has constituted an Audit Committee in terms of the requirements of the Companies Act, 2013 comprising of Dr. Ashwin Mahalingam, Mr.N.Raghavan and Mr.Mathew George.

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

Date	Strength of the Committee	No. of members present
April 25, 2017	3	2
July 18, 2017	3	2
October 16, 2017	3	2
January 19, 2018	3	3

As per the provisions of Section 177(9) of the Act, the Company is required to establish an effective Vigil Mechanism for directors and employees to report genuine concerns.

The Company has a whistle blower policy in place to report concerns about unethical activities, actual/suspected frauds and violation of Company's Code of Conduct. The policy provides for adequate safeguards against victimisation of persons who avail the same and provides for direct access to the Chairman of the Audit Committee. The Chief Internal Auditor of the Company was the co-ordinator for the Vigil Mechanism and responsible for receiving, validating, investigating and reporting to the Audit Committee during the year.

Members can view the details of the whistle blower policy under the said framework of the Company on the website of its Holding Company (L&T Infrastructure Development Projects Limited) www.LntidpL.com.

Company Policy on Director Appointment and Remuneration

The Company had constituted the Nomination and Remuneration Committee in accordance with the requirements of the Act read with the Rules made thereunder comprising of Mr.N.Raghavan, Dr.Ashwin Mahalingam, and Mr.Mathew George.

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

Date	Strength of the Committee	No. of members present
July 18, 2017	3	2

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

Declaration of independence

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

18. ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2018, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

19. DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms that:

a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) The Directors have prepared the Annual Accounts on a going concern basis.

e) The Directors have laid down an adequate system of internal financial control with respect to reporting on financial statements and the said system is operating effectively.

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

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

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

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

Further, the Independent Directors at the meeting held on December 20, 2017, reviewed the performance of Board, Committees, and Non-Executive Directors. The performance evaluation of the Board, Committees and Directors was also reviewed by the Nomination and Remuneration Committee and the Board of Directors.

21. DISCLOSURE OF REMUNERATION:

There are no employees in the company covered by the provisions Section 197 of the Act read with rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

22. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

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

23. PROTECTION OF WOMEN AT WORKPLACE

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

24. AUDITORS REPORT:

The Auditors' Reports on the financial statements for the financial year 2017-18 are unqualified. The Notes to the accounts referred to in the Auditors' Reports are self-explanatory and do not call for any further clarifications under section 134(3)(f) of the Act.

25. AUDITOR:

The Company at the 9th Annual General Meeting (AGM) held on September 23, 2015 had appointed M/s.Sharp & Tannan, Chartered Accountants, (Registration no. 003792S), Chennai as Statutory Auditors of the Company to hold office from the conclusion of that AGM until the conclusion of the AGM held during the year 2017.

M/s.Sharp & Tannan has completed their tenure as Auditors of the Company. Consequently, the directors at their board meeting held on July 11, 2018 had approved the appointment of M/s.M.K.Dandeker & Co., (Firm Reg no: 000679S) as statutory auditors of the company for a term of 5 consecutive years, to hold office from the conclusion of the ensuing 13th AGM till the conclusion of the 17th AGM to be held in the year 2023 as reviewed by Audit Committee. Further a remuneration of ₹.2,75,000/- excluding out of pocket expenses and applicable taxes is being proposed for the financial year 2018-19.

26. SECRETARIAL AUDITOR:

R.Thamizhvanan, Company Secretary in practice (CP No. 3721), was appointed to conduct the secretarial audit of the Company for the financial year 2017-18, as required under Section 204 of the Act and Rules thereunder. The secretarial audit report dated June 19, 2018 to the Shareholders for the financial year 2017-18 is attached as 'Annexure 2' to this Report and is unqualified and has no adverse remark.

27. EXTRACT OF ANNUAL RETURN

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board

	T. S. VENKATESAN	**ESTHER MALINI**
Place : Chennai	*Director*	*Director*
Date : July 11, 2018	*DIN: 01443165*	*DIN 07124748*

ANNEXURE 1

FORM NO. AOC.2

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

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

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

   The Company has not entered into such transactions during the year.

2. Details of material contracts or arrangement or transactions at arm's length basis

   (i) There were no contracts or arrangements entered into by the Company with related parties during the FY 2017-18 which required Shareholders' approval as per Section 188(1) of the Companies Act, 2013.

   (ii) The details of related party transactions during the FY 2017-18 forms part of the financial statements as per Ind AS 24 and the same is given in Note H5.

For and on behalf of the Board

	T. S. VENKATESAN	**ESTHER MALINI**
Place : Chennai	*Director*	*Director*
Date : July 11, 2018	*DIN: 01443165*	*DIN 07124748*

ANNEXURE 2

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 2017-18

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

To
The Members,
WESTERN ANDHRA TOLLWAYS LIMITED
P.O. BOX NO.979, MOUNT POONAMALLEE ROAD
MANAPAKKAM
CHENNAI-600089

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **WESTERN ANDHRA TOLLWAYS LIMITED** (here-in-after called the 'Company') for the financial year ending on 31st March 2018. Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report :-

That in my opinion, the company has, during the audit period has complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year under the provisions of

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder – **Not Applicable;**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder - **Not Applicable;**

(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;**

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

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Not Applicable;**

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992- **Not Applicable;**

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not Applicable;**

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - **Not Applicable;**

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable;**

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable ;**

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not Applicable;**

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not Applicable;**

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

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

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

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

(ii) The Listing Agreements entered into by the Company with stock Exchanges for securities-Not Applicable

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

I further report that:-

The Board of Directors & the Committees of the Company are duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through and there were no dissenting views by any of the Board members during the year.

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

I further report that during the audit period the company has complied with all requirements under the new Companies Act 2013 to the extent notified and applicable with respect to all events/actions having a major bearing on the Companies affairs

Sd/-

R. THAMIZHVANAN

(COMPANY SECRETARY IN PRACTICE)

CP NO. 3721

Place : Chennai

Date : June 19, 2018

ANNEXURE 3

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2018

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

I. REGISTRATION AND OTHER DETAILS:

CIN	U45203TN2005PLC057931
Registration Date	02/11/2005
Name of the Company	WESTERN ANDHRA TOLLWAYS LIMITED*
Category / Sub-Category of the Company	Company Limited by shares/Indian Non-government Company
Address of the Registered office and contact details	P.O.BOX.979, MOUNT POONAMALLEE ROAD, MANAPAKKAM, CHENNAI- 600089
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	NSDL Database Management Limited 4th Floor, Trade World A Wing, Kamala Mills Compound Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Ph: 022 4914 2591

* The name of the Company was changed from “L&T Western Andhra Tollways Limited” to “Western Andhra Tollways Limited” Vide Certificate of Incorporation dated October 20, 2016, issued by Registrar of Companies.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. N0	Name and Address of the Company CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	L&T Infrastructure Development Projects Limited U65993TN2001PLC046691	Holding	100%	2(46)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held as on April 01, 2017				No. of Shares held as on March 31, 2018				% 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.	56499992	6*	56499998	99.99	56499994	6*	56500000	100	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other….	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	**56499992**	**6***	**56499998**	**99.99**	**56499994**	**6***	**56500000**	**100**	**–**

Category of Shareholders	No. of Shares held as on April 01, 2017				No. of Shares held as on March 31, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) Foreign									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
b) Other - Individuals									
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other….									
Sub-total (A) (2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**56499992**	**6***	**56499998**	**99.99**	**56499994**	**6***	**56500000**	**100**	**–**
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 ₹ 1 lakh	2	–	2	0.01	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	**2**	**–**	**2**	**0.01**	**–**	**–**	**–**	**–**	**–**
Total Public Shareholding (B) = (B)(1)+ (B)(2)	**2**	**–**	**2**	**0.01**	**–**	**–**	**–**	**–**	**–**
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	**56499994**	**6***	**56500000**	**100**	**56500000**	**6***	**56500000**	**100**	**–**

*Shares held by individuals jointly with L&T Infrastructure Development Projects Limited

(ii) Shareholding of Promoters

Sl No.	Shareholders Name	Shareholding as on April 01, 2017			Shareholding as on March 31, 2018			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Share	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	L&T Infrastructure Development Projects Limited	56499992	99.99%	–	56500000	100%	–	–
2	Mr.K.Venkatesh*	1	0	–	1	0	–	–
3	Dr.Esther Malini*	1	0	–	1	0	–	–
4	Mr.P.G.Suresh Kumar*	1	0	–	1	0	–	–
5	Mr.T.S.Venkatesan*	1	0	–	1	0	–	–
6	Mr.R.G.Ramachandran*	1	0	–	1	0	–	–
7	Mr.Karthikeyan TV*	1	0	–	1	0	–	–
	Total	**56499998**	**99.99%**	**–**	**56500000**	**100%**	**–**	**–**

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

(iii) Change in Promoters' Shareholding:

Sl. 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	Mr.J.Subramanian				
	As on April 01, 2017	2	0	2	0
	Shares transferred to L&T Infrastructure Development Projects Limited on March 19, 2018	2	0	-	-
	As on March 31, 2018	–	–	–	–
2	L&T Infrastructure Development Projects Limited				
	As on April 01, 2017	56499992	99.99%	56499992	99.99%
	Acquired Shares from Mr.J.Subramanian on March 19, 2018	2	0.01	56499994	100%
	As on March 31, 2018	56499994	100%	56499994	100%

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
	As on April 01, 2017	2	0.01	2	0.01
	Mr.J.Subramanian transfered shares to L&T Infrastructure Development Projects Limited on 19.03.2018	2	0.01	2	0.01
	As on March 31, 2018	2	0.01	–	–

(v) Shareholding of Directors and Key Managerial Personnel:

No change in shareholding of Directors and Key Managerial Personnel

V. INDEBTEDNESS

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

Loans from Banks/ Institutions:

(Amount in ₹)

Particulars of indebtedness	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
As on April 01, 2017			
i) Principal Amount	2,22,07,46,315	–	2,22,07,46,315
ii) Interest due but not paid	–	–	–
iii) Interest accrued but not due	6,00,276	–	6,00,276
Total (i+ii+iii)	**2,22,13,46,591**	**–**	**2,22,13,46,591**
Change in the financial year			
· Addition	–	–	–
· Reduction	(69185678)	–	(69185678)
Net Change	**(69185678)**	**–**	**(69185678)**
As on March 31, 2018			
i) Principal Amount	2151592679	–	2151592679
ii) Interest due but not paid	–	–	–
iii) Interest accrued but not due	568234	–	568234
Total (i+ii+iii)	**2152160913**	**–**	**2152160913**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Mr. Madan Mohan Vangara, Manager	
1.	Gross salary	1,615,400	**1,615,400**
	(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	Nil	**Nil**
3.	Sweat Equity	Nil	**Nil**
4.	Commission	Nil	**Nil**
	- as % of profit		
	- others, specify…		
5.	Others, please specify	Nil	**Nil**
	Total (A)	**1,615,400**	**1,615,400**
	Ceiling as per the Act	**₹ 120,00,000/-**	

B. Remuneration to other directors:

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	**Dr. Ashwin Mahalingam**	**Mr. N.Raghavan**		
	Fee for attending board meeting	75,000	75,000		1,50,000
	Fee for attending committee meetings	50,000	40,000		90,000
	Commission	–	–		–
	Others	–	–		–
	Total (1)	**125000**	**115000**		**240000**
2.	Other Non-Executive Directors	**Mr. T.S.Venkatesan**	**Mr. Manoj Kumar Singh**	**Mr. Mathew George**	
	Fee for attending board / committee meetings	–	–	–	
	Commission Others, please specify	–	–	–	
	Total (2)	–	–	–	
	Total (B)=(1+2)	**125000**	**115000**		**240000**
	Overall Ceiling as per the Act(sitting fees)	**Not more than ₹.1,00,000/- per meeting of Board or Committee**			

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

No remuneration was paid to KMP other than Manager of the Company. Mr. MVVSS.Ramalingeswara Rao, CFO and Mr. Nagarajan Venkataraman, Company Secretary of the Company are employed by the Holding Company and Larsen & Toubro Ltd. respectively.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

	T. S. VENKATESAN	ESTHER MALINI
Place : Chennai	*Director*	*Director*
Date : July 11, 2018	*DIN: 01443165*	*DIN 07124748*

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WESTERN ANDHRA TOLLWAY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Western Andhra Tollway Limited ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information

Management's Responsibility for the 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

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

   (c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.;

   (d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and

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

i. The company has no pending litigation which would impact its financial position except those disclosed in financial statements;

ii. The company did not have any long-term contract including derivative contract for which there were any material foreseeable losses;

iii. There were no amounts which were required by the company to be transferred to the Investor Education and Protection Fund, and;

2. As required by Section 143(3) of the Act, based on our audit we report that:

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure B, a statement on the matters specified in the paragraph 3 and 4 of the Order.

FOR GIANENDER & ASSOCIATES
Chartered Accountants
(Firm's Registration No. 004661N)

R K Agrawal
(Partner)
(M. No. 085671)

Place: New Delhi
Date: April 23, 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Western Andhra Tollway Limited of even date)

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

We have audited the internal financial controls over financial reporting of Western Andhra Tollway Limited ("the Company") as of March 31, 2018 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. 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 my /our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India..

FOR GIANENDER & ASSOCIATES
Chartered Accountants
(Firm's Registration No. 004661N)

R K Agrawal
(Partner)
(M. No. 085671)

Place: New Delhi
Date: April 23, 2018

ANNEXURE-B

INDEPENDENT AUDITOR'S REPORT OF WESTERN ANDHRA TOLLWAY LIMITED FOR THE YEAR ENDED AS ON 31ST MARCH 2018

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-

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

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

   c) The title deed of immoveable properties is held in the name of the company.

ii. As the company is engage in the business of development and maintenance of Toll Roads, there are no inventories.

iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, clause (a) to (c) of Para 3(iii) are not applicable.

iv. The Company has not given any loans, made any investments or given any guarantees or securities, covered under section 185 and 186 of the Companies Act, 2013.

v. The Company has not accepted deposits in terms of the provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under.

vi. The Company is maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

vii. a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2018, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable.

   b) According to the information and explanations given to us, there were no statutory dues pending in respect of income tax, sales tax, VAT, custom duty and cess on account of any dispute.

viii. In our opinion and according to the information and explanation provided to us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holders. The company has not taken any loans or borrowings from Government.

ix. According to the information and explanation provided to us, money raised by way of term loan were applied for the purpose for which it raised. The Company has not raised money by way of initial public offer or further public offer.

x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the course of our audit.

xi. In our opinion, the managerial remuneration paid or provided by the company are in accordance with the provision of section 197 of the Companies Act read with Schedule V.

xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable.

xiii. In our opinion and according to the information provided to us, the transaction entered with the related partied are in compliance with section 177 and 188 of the Act and are properly disclosed in the financial statements.

xiv. In our opinion and according to the information provided to us, the company has not issued any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information provided to use, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under section 192 of the Companies Act 2013.

xvi. In our opinion, the company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

FOR GIANENDER & ASSOCIATES
Chartered Accountants
(Firm's Registration No. 004661N)

R K Agrawal
(Partner)
(M. No. 085671)

Place: New Delhi
Date: April 23, 2018

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

WESTERN ANDHRA TOLLWAYS LIMITED
(Formerly L&T Western Andhra Tollways Limited)

BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note	March 31, 2018 ₹	March 31, 2017 ₹
ASSETS			
Non-current assets			
a) Property, Plant and Equipment	1	7,278,622	8,162,925
b) Intangible assets	2	1,473,564,983	1,648,642,003
c) Financial Assets			
i) Loans	3	1,438,828	1,438,828
	A	1,482,282,433	1,658,243,756
Current assets			
a) Financial Assets			
i) Investments	6	790,210,370	412,068,972
ii) Cash and cash equivalents	7	154,937,792	22,858,411
iii) Other bank balances	8	3,277,811	100,882
iv) Loans	3	–	143,813,952
v) Other financial assets	4	23,865,592	12,907,214
b) Current Tax Assets (net)	9	15,256,446	15,256,446
c) Other current assets	5	3,525,285	2,229,225
	B	991,073,296	609,235,102
TOTAL	A+B	2,473,355,729	2,267,478,858
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	10	565,000,000	565,000,000
b) Other Equity	11	(735,002,509)	(845,927,602)
	C	(170,002,509)	(280,927,602)
LIABILITIES			
(1) Non-current liabilities			
a) Financial liabilities			
i) Borrowings	12	2,054,931,782	2,145,873,401
ii) Other financial liabilities	13	340,000	344,000
b) Provisions	14	450,744,728	311,011,211
	D	2,506,016,510	2,457,228,612
Current liabilities			
a) Financial liabilities			
ii) Trade payables	16	20,192,591	12,306,704
iii) Other financial liabilities	13	110,865,852	76,714,605
b) Other current liabilities	15	747,069	1,136,713
c) Provisions	14	768,593	1,019,826
	E	137,341,728	91,177,848
Total Equity and Liabilities	C+D+E	2,473,355,729	2,267,478,858
CONTINGENT LIABILITIES	F		
COMMITMENTS	G		
OTHER NOTES FORMING PART OF ACCOUNTS	H		
SIGNIFICANT ACCOUNTING POLICIES	I		

As per our report attached

For **GIANENDER & ASSOCIATES**
Chartered Accountants
Firm Registration No: 04661N
By the hand of

R K AGRAWAL
Partner
Membership No. 085671

Place : New Delhi
Date : April 23, 2018

For and on behalf of the Board

V. NAGARAJAN
Company Secretary
M. No.: A 18775

MVVSS RAMALINGESHWARA RAO
Chief Financial Officer

MATHEW GEORGE
Director
DIN: 07402208

T. S. VENKATESAN
Director
DIN: 01443165

Place : Chennai
Date : April 23, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Note	2017-18 ₹	2017-18 ₹	2016-17 ₹	2016-17 ₹
REVENUE					
Revenue from Operations	**17**		**756,865,591**		666,875,707
Other income	**18**		**57,412,303**		34,665,206
Total income			**814,277,894**		701,540,913
EXPENSES					
Operating expenses	**19**		**195,049,157**		164,817,852
Employee benefits expense	**20**		**12,539,464**		10,016,664
Finance costs	**21**		**243,979,201**		241,472,700
Depreciation, amortisation and obsolescence	**1 & 2**		**177,101,410**		155,872,067
Administration and other expenses	**22**		**31,411,310**		29,200,337
Total expenses			**660,080,542**		601,379,620
Profit/(loss) before tax			**154,197,352**		100,161,293
Tax Expense:					
Current tax		**43,400,000**		1,833,936	
			43,400,000		1,833,936
Profit/(loss) for the year			**110,797,352**		98,327,357
Other Comprehensive Income	**23**		**127,741**		(126,475)
i) Items that will not be reclassified to profit or loss (net of tax)			**127,741**		(126,475)
Total comprehensive income for the year			**110,925,093**		98,200,882
Earnings per equity share (Basic and Diluted)	**H (7)**		**1.96**		1.74
Face value per equity share			**10.00**		10.00

As per our report attached

For **GIANENDER & ASSOCIATES**
Chartered Accountants
Firm Registration No: 04661N
By the hand of

R K AGRAWAL
Partner
Membership No. 085671

Place : New Delhi
Date : April 23, 2018

For and on behalf of the Board

V. NAGARAJAN
Company Secretary
M. No.: A 18775

MVVSS RAMALINGESHWARA RAO
Chief Financial Officer

MATHEW GEORGE
Director
DIN: 07402208

T. S. VENKATESAN
Director
DIN: 01443165

Place : Chennai
Date : April 23, 2018

CASH FLOW STATEMENT AS ON MARCH 31, 2018

S. No.	Particulars	2017-18 ₹	2016-17 ₹
A	**Cashflow from operating activities**		
	Net profit / (loss) before tax and extraordinary items	**154,325,093**	*99,967,882*
	Adjustments for:		
	Depreciation and amortisation expense	**177,101,410**	*155,872,067*
	Interest expense	**243,979,201**	*241,472,700*
	Interest income	**(8,222,585)**	*(14,989,554)*
	(Profit)/loss on sale of current investments(net)	**(47,493,260)**	*(18,266,856)*
	(Profit)/loss on sale of fixed assets	**(455,250)**	*(8,925)*
	Operating profit before working capital changes	**519,234,609**	*464,047,314*
	Adjustments for:		
	Increase / (Decrease) in long term provisions	**110,086,209**	*100,489,557*
	Increase / (Decrease) in trade payables	**7,885,887**	*(11,825,559)*
	Increase / (Decrease) in other current liabilitites	**(389,644)**	*(335,340)*
	Increase / (Decrease) in other current financial liabilitites	**11,610,017**	*(5,833,276)*
	Increase / (Decrease) in other non-current financial liabilities	**(4,000)**	–
	Increase / (Decrease) in short term provisions	**(251,233)**	*1,019,826*
	(Increase) / Decrease in long term loans and advances	**–**	*(72,294)*
	(Increase) / Decrease in other financial assets	**(10,958,378)**	*(12,877,666)*
	(Increase) / Decrease in short term loans and advances	**150,000,000**	*(150,000,000)*
	(Increase) / Decrease in other current assets	**(1,296,060)**	*408,761*
	Net cash generated from/(used in) operating activities	**785,917,407**	*385,021,323*
	Direct taxes paid (net of refunds)	**(38,632,377)**	*(10,899,141)*
	Net Cash(used in)/generated from Operating Activities	**747,285,030**	*374,122,182*
B	**Cash flow from investing activities**		
	Purchase of fixed assets	**(1,140,088)**	*(3,509,083)*
	Sale of fixed assets	**455,250**	*8,925*
	(Purchase)/ Sale of current investments	**(629,268,888)**	*191,843,248*
	(Purchase)/ Sale of commercial papers	**298,344,900**	*(298,344,900)*
	Changes in other bank balances	**(3,176,929)**	*(100,882)*
	Interest received	**2,312,387**	*9,209,870*
	Net cash (used in)/generated from investing activities	**(332,473,368)**	*(100,892,822)*
C	**Cash flow from financing activities**		
	Repayment of long term borrowings	**(69,153,636)**	*(69,153,636)*
	Interest paid	**(213,578,645)**	*(210,803,291)*
	Net cash (used in)/generated from financing activities	**(282,732,281)**	*(279,956,927)*
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**132,079,381**	*(6,727,567)*
	Cash and cash equivalents as at the beginning of the year	**22,858,411**	*29,585,978*
	Cash and cash equivalents as at the end of the year	**154,937,792**	*22,858,411*

Notes:

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

As per our report attached

For **GIANENDER & ASSOCIATES**
Chartered Accountants
Firm Registration No: 04661N
By the hand of

R K AGRAWAL
Partner
Membership No. 085671

Place : New Delhi
Date : April 23, 2018

For and on behalf of the Board

V. NAGARAJAN
Company Secretary
M. No.: A 18775

MVVSS RAMALINGESHWARA RAO
Chief Financial Officer

MATHEW GEORGE
Director
DIN: 07402208

T. S. VENKATESAN
Director
DIN: 01443165

Place : Chennai
Date : April 23, 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1) PROPERTY, PLANT AND EQUIPMENT

(₹)

PARTICULARS	COST				DEPRECIATION				BOOK VALUE	
	As at April 01, 2017	Additions	Disposals	**As at March 31, 2018**	*As at April 01, 2017*	For the year	On Disposals	**As at March 31, 2018**	**As at March 31, 2018**	*As as March 31, 2017*
Owned										
Building	*1,936,443*	–	–	**1,936,443**	*88,186*	44,092	–	**132,278**	**1,804,165**	*1,848,257*
Plant and Equipment	*19,204,093*	90,172	–	**19,294,265**	*16,387,470*	812,490	–	**17,199,960**	**2,094,305**	*2,816,623*
Furniture and fixtures	*882,009*	–	153,370	**728,639**	*489,864*	207,251	153,370	**543,745**	**184,894**	*392,145*
Vehicles	*3,576,266*	–	695,634	**2,880,632**	*2,206,445*	343,945	695,634	**1,854,756**	**1,025,876**	*1,369,821*
Office equipment	*393,326*	286,860	95,685	**584,501**	*268,873*	368,268	95,685	**541,456**	**43,045**	*124,453*
Air conditioning and Refrigeration	*1,177,120*	441,650	–	**1,618,770**	–	–	–	**–**	**1,618,770**	*1,177,120*
Computers, laptops and printers	*594,470*	321,406	648,824	**267,052**	*159,964*	248,345	648,824	**–240,515**	**507,567**	*434,506*
Total	*27,763,727*	1,140,088	1,593,513	**27,310,302**	*19,600,802*	2,024,391	1,593,513	**20,031,680**	**7,278,622**	*8,162,925*

NOTE 2) INTANGIBLE ASSETS

(₹)

PARTICULARS	COST				AMORTISATION				BOOK VALUE	
	As at April 01, 2017	Additions	Disposals	**As at March 31, 2018**	*As at April 01, 2017*	For the year	On Disposals	**As at March 31, 2018**	**As at March 31, 2018**	*As as March 31, 2017*
Specialised Software	*430,836*	–	–	**430,836**	*430,834*	–	–	**430,834**	**2**	*2*
Toll collection rights	*3,063,847,966*	–	–	**3,063,847,966**	*1,415,205,965*	175,077,020	–	**1,590,282,985**	**1,473,564,981**	*1,648,642,001*
Total	*3,064,278,802*	–	–	**3,064,278,802**	*1,415,636,799*	175,077,020	–	**1,590,713,819**	**1,473,564,983**	*1,648,642,003*

NOTE 1) PROPERTY, PLANT AND EQUIPMENT

(₹)

PARTICULARS	COST				DEPRECIATION				BOOK VALUE	
	As at April 01, 2016	Additions	Disposals	*As at March 31, 2017*	*As at April 01, 2016*	For the year	On Disposals	*As at March 31, 2017*	*As at March 31, 2017*	*As at April 01, 2016*
Owned										
Building	*1,936,443*	–	–	*1,936,443*	*44,093*	44,093	–	*88,186*	*1,848,257*	*1,892,350*
Plant and Equipment	*18,315,994*	888,099	–	*19,204,093*	*15,320,995*	1,066,475	–	*16,387,470*	*2,816,623*	*2,994,999*
Furniture and fixtures	*695,344*	186,665	–	*882,009*	*247,369*	242,495	–	*489,864*	*392,145*	*447,975*
Vehicles	*2,387,874*	1,188,392	–	*3,576,266*	*1,842,585*	363,860	–	*2,206,445*	*1,369,821*	*545,289*
Office equipment	*154,802*	238,524	–	*393,326*	*69,589*	199,284	–	*268,873*	*124,453*	*85,213*
Air conditioning and Refrigeration	*592,000*	585,120	–	*1,177,120*	–	–	–	–	*1,177,120*	*592,000*
Computers, laptops and printers	*212,927*	422,283	40,740	*594,470*	*37,623*	163,081	40,740	*159,964*	*434,506*	*175,304*
Total	*24,295,384*	3,509,083	40,740	*27,763,727*	*17,562,254*	2,079,288	40,740	*19,600,802*	*8,162,925*	*6,733,130*

NOTE 2) INTANGIBLE ASSETS

(₹)

PARTICULARS	COST				AMORTISATION				BOOK VALUE	
	As at April 01, 2016	Additions	Disposals	*As at March 31, 2017*	*As at April 01, 2016*	For the year	On Disposals	*As at March 31, 2017*	*As at March 31, 2017*	*As at April 01, 2016*
Specialised Software	*430,836*		–	*430,836*	*430,834*	–	–	*430,834*	*2*	*2*
Toll collection rights	*3,063,847,966*	–	–	*3,063,847,966*	*1,261,413,185*	153,792,780	–	*1,415,205,965*	*1,648,642,001*	*1,802,434,781*
Total	*3,064,278,802*	–	–	*3,064,278,802*	*1,261,844,019*	153,792,780	–	*1,415,636,799*	*1,648,642,003*	*1,802,434,783*

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE 3) LOANS

Particulars	March 31, 2018 Current ₹	March 31, 2018 Non-current ₹	March 31, 2018 Total ₹	March 31, 2017 Current ₹	March 31, 2017 Non-current ₹	March 31, 2017 Total ₹
a) Security deposits						
Unsecured, considered good	–	1,438,828	1,438,828	–	1,438,828	1,438,828
b) Loans to related parties						
Unsecured, considered good						
Inter-corporate deposit	–	–	–	143,813,952	–	143,813,952
	–	1,438,828	1,438,828	143,813,952	1,438,828	145,252,780

NOTE 4) OTHER FINANCIAL ASSETS

Particulars	March 31, 2018 Current ₹	March 31, 2018 Non-current ₹	March 31, 2018 Total ₹	March 31, 2017 Current ₹	March 31, 2017 Non-current ₹	March 31, 2017 Total ₹
Claim receivable from NHAI	23,319,911	–	23,319,911	12,877,666	–	12,877,666
Other receivables	545,681	–	545,681	29,548	–	29,548
	23,865,592	–	23,865,592	12,907,214	–	12,907,214

NOTE 5) OTHER NON CURRENT AND CURRENT ASSETS

Particulars	March 31, 2018 Current ₹	March 31, 2018 Non-current ₹	March 31, 2018 Total ₹	March 31, 2017 Current ₹	March 31, 2017 Non-current ₹	March 31, 2017 Total ₹
Advance recoverable other than in cash						
Advances to related parties	146,498	–	146,498	–	–	–
Other advances	1,404,287	–	1,404,287	–	–	–
Prepaid expenses	1,974,500	–	1,974,500	2,229,225	–	2,229,225
	3,525,285	–	3,525,285	2,229,225	–	2,229,225

NOTE 6) INVESTMENTS (CURRENT)

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Investments at fair value through Profit and loss		
Mutual funds	790,210,370	113,448,222
Commercial papers	–	298,620,750
	790,210,370	412,068,972

NOTE 7) CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹
a) Balances with banks	12,414,116	15,630,136
b) Cheques on hand	-	-
b) Cash on hand	5,008,315	7,228,275
c) Term deposits with banks including interest accrued thereon (original maturity of less than three months)"	137,515,361	-
e) Others		
	154,937,792	22,858,411

Balances with banks include escrow accounts which carry first charge to the extent of amount payable as per the waterfall mechanism as defined in the Concession agreement/ Common loan agreement. As at March 31, 2018, there are no amounts which are restricted/ earmarked for any specific purposes by virtue of the said waterfall mechanism (NIL as at March 31, 2017)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE 8) OTHER BANK BALANCES

Particulars	As at March 31, 2018	As at March 31, 2017
	₹	₹
a) Term deposits with banks including interest thereon (original maturity of more than three months but less than twelve months)	3,277,811	100,882
	3,277,811	100,882

NOTE 9) CURRENT TAX ASSET (NET)

Particulars	March 31, 2018			March 31, 2017		
	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹
TDS receivable current year	15,256,446	–	15,256,446	15,256,446	–	15,256,446
	15,256,446	–	15,256,446	15,256,446	–	15,256,446

NOTE 10) SHARE CAPITAL

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹	No. of shares	₹
(i) Authorised, issued, subscribed and paid up				
Authorised:				
Equity shares of ₹ 10 each	60,000,000	600,000,000	60,000,000	600,000,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	56,500,000	565,000,000	56,500,000	565,000,000
(i) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:				
At the beginning of the year	56,500,000	565,000,000	56,500,000	565,000,000
Issued during the year as fully paid	–	–	–	–
Others	–	–	–	–
At the end of the year	56,500,000	565,000,000	56,500,000	565,000,000

(iii) Terms / rights attached to equity shares

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

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

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

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

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹	No. of shares	₹
L&T Infrastructure Development Projects Limited (including jointly held)	56,500,000	565,000,000	56,499,998	564,999,980
	56,500,000	565,000,000	56,499,998	564,999,980

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	%	No. of shares	%
L&T Infrastructure Development Projects Limited (including jointly held)	56,500,000	100.00%	56,499,998	99.99%
	56,500,000	100.00%	56,499,998	99.99%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(vi) Shares reserved for issue under options: NIL (previous year - NIL)

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

(viii) Calls unpaid : NIL; Forfeited Shares : NIL (previous year - NIL)

NOTE 11) OTHER EQUITY AS ON 31.03.2018

Particulars	Reserves & Surplus		
	Debenture Redemption Reserve	Retained earnings	Total
Balance at the beginning of the reporting period	76,963,563	(922,891,165)	(845,927,602)
Total comprehensive income for the year	–	110,925,093	110,925,093
Transfer from / (to) debenture redemption reserve	74,595,833	(74,595,833)	–
Balance at the end of the reporting period	**151,559,396**	**(886,561,905)**	**(735,002,509)**

OTHER EQUITY AS ON 31.03.2017

Particulars	Reserves & Surplus		
	Debenture Redemption Reserve	Retained earnings	Total
Balance at the beginning of the reporting period	–	(944,128,484)	(944,128,484)
Total comprehensive income for the year	–	98,200,882	98,200,882
Transfer from / (to) debenture redemption reserve	76,963,563	(76,963,563)	–
Balance at the end of the year	**76,963,563**	**(922,891,165)**	**(845,927,602)**

NOTE 12) BORROWINGS

Particulars	As at March 31, 2018			*As at March 31, 2017*		
	Current ₹	Non-current ₹	Total ₹	*Current ₹*	*Non-current ₹*	*Total ₹*
Secured borrowings						
a) Debentures	–	930,000,000	930,000,000	–	*950,000,000*	*950,000,000*
b) Term loans						
i) From banks	–	1,124,931,782	1,124,931,782	–	*1,195,873,401*	*1,195,873,401*
	–	2,054,931,782	2,054,931,782	–	*2,145,873,401*	*2,145,873,401*

a) Details of long term borrowings

Particulars	Effective interest rate	Terms of repayment
Term loans from banks	Base rate + applicable spread	Repayable in 40 quarterly unequal instalments from December 2015 till March 2026
Non Convertible Debentures	9.50%	Redeemable in 36 unequal instalments from December 2015 till September 2025.

Nature of security for term loans/debentures

(i) all the immovable and movable properties of the Company, including all revenues, receipts, receivables and intangible properties, both present and future except the Project Assets as defined in the Concession Agreement.

(ii) all rights, titles, permits, approvals, clearances and the interest of the borrower in the project documents and the insurance contracts.

(iii) all guarantees, performance bonds and any letter of credit that may be provided by any party in favour of the Borrower under the project documents.

(iv) the Escrow account and all other accounts opened as per escrow agreement along with monies lying therin

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

Particulars	As at March 31, 2018	*As at March 31, 2017*
Long term borrowings	**2,054,931,782**	*2,145,873,401*
Current maturities of long term borrowings	**91,726,909**	*69,153,636*
TOTAL	**2,146,658,691**	*2,215,027,037*

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

b) There has been no default in the repayment of borrowings and interest obligations during the year

NOTE 13) OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2018			*As at March 31, 2017*		
	Current	Non-current	Total	*Current*	*Non-current*	*Total*
	₹	₹	₹	₹	₹	₹
a) Deposits received	–	340,000	340,000	–	344,000	344,000
b) Current maturities of long term borrowings	91,726,909	–	91,726,909	69,153,636	–	69,153,636
c) Interest accrued	568,234	–	568,234	600,276	–	600,276
d) Dues to related parties	4,396,332	–	4,396,332	1,994,047	–	1,994,047
i) Others	14,174,377	–	14,174,377	4,966,646	–	4,966,646
	110,865,852	340,000	111,205,852	76,714,605	344,000	77,058,605

NOTE 14) PROVISIONS

Particulars	As at March 31, 2018			*As at March 31, 2017*		
	Current	Non-current	Total	*Current*	*Non-current*	*Total*
	₹	₹	₹	₹	₹	₹
Provision for employee benefits (Refer note H (2))	768,593	–	768,593	1,019,826	1,213,787	2,233,613
Provisions for major maintenance reserve (Refer note H(10))	–	450,744,728	450,744,728	–	309,797,424	309,797,424
	768,593	450,744,728	451,513,321	1,019,826	311,011,211	312,031,037

NOTE 15) OTHER NON CURRENT AND CURRENT LIABILITIES

Particulars	As at March 31, 2018			*As at March 31, 2017*		
	Current	Non-current	Total	*Current*	*Non-current*	*Total*
	₹	₹	₹	₹	₹	₹
i) Statutory payables	747,069	–	747,069	1,136,713	–	1,136,713
	747,069	–	747,069	1,136,713	–	1,136,713

NOTE 16) TRADE PAYABLES

Particulars	As at March 31, 2018	*As at March 31, 2017*
	₹	₹
Due to micro and small enterprises	–	–
Due to others	20,192,591	12,306,704
	20,192,591	12,306,704

There have been no transactions during the year (NIL as at 31 March 2016) with micro and small enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2007. Hence reporting details of principal and interest paid/ outstanding does not arise.

NOTE 17) REVENUE FROM OPERATIONS

Particulars	2017-18		*2016-17*	
	₹	₹	₹	₹
Operating revenue:				
Toll Collections	756,865,591		666,875,707	
Less : Revenue share to NHAI	–		–	
		756,865,591		666,875,707
		756,865,591		666,875,707

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE 18) OTHER INCOME

Particulars	**2017-18** ₹	₹	*2016-17* ₹	₹
Interest income from:				
Bank deposits	**619,137**		*452,123*	
Inter-corporate deposits	**7,565,298**		*13,735,036*	
Others	**38,150**		*802,395*	
		8,222,585		*14,989,554*
Net gain/(loss) on sale of investments		**24,065,465**		*23,978,187*
Net gain/(loss) on financial assets designated at FVTPL		**23,427,795**		*(5,711,331)*
Profit/(loss) on disposal of property,plant and equipment		**455,250**		*8,925*
Lease rental income		**1,089,000**		*990,001*
Miscellaneous income		**152,208**		*409,870*
		57,412,303		*34,665,206*

NOTE 19) OPERATING EXPENSES

Particulars	**2017-18** ₹	₹	*2016-17* ₹	₹
Toll management fees		**24,328,797**		*19,919,540*
Security services		**6,633,838**		*5,257,628*
Insurance		**1,983,046**		*2,416,207*
Repairs and maintenance				
Toll road & bridge	**35,700,239**		*27,536,820*	
Plant and machinery	**4,573,121**		*3,757,829*	
Periodic major maintenance	**111,299,996**		*101,600,000*	
Others	**2,246,242**		*5,781,795*	
		153,819,598		*138,676,444*
Power and fuel		**8,283,877**		*7,747,370*
Less: NHAI Claim for reimbursement of expenses		**–**		*(9,199,338)*
		195,049,157		*164,817,852*

NOTE 20) EMPLOYEE BENEFIT EXPENSES

Particulars	**2017-18** ₹	₹	*2016-17* ₹	₹
Salaries, wages and bonus		**10,582,677**		*8,256,774*
Contributions to and provisions for:				
Provident and pension funds (Refer note)	**612,968**		*526,863*	
Gratuity fund (Refer note)	**60,070**		*363,059*	
Compensated absences	**234,242**		*182,487*	
Retention pay	**–**		*–*	
		907,280		*1,072,409*
Staff welfare expenses		**1,049,507**		*1,256,257*
Less: NHAI Claim for reimbursement of expenses		**–**		*(568,776)*
		12,539,464		*10,016,664*

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

NOTE 21) FINANCE COSTS

Particulars	2017-18 ₹	2016-17 ₹
Interest on borrowings	213,343,124	224,573,626
Other borrowing cost	988,769	643,410
Unwinding of discount and implicit interest expense on fair value	29,647,308	30,496,571
Less: NHAI Claim for reimbursement of expenses	–	(14,240,907)
	243,979,201	241,472,700

NOTE 22) ADMINISTRATION AND OTHER EXPENSES

Particulars	2017-18 ₹	2016-17 ₹
Rent, rates and taxes	69,703	108,752
Payments to auditor *(Refer Note (a) below)*	823,415	735,490
Professional fees	22,664,371	21,674,855
Postage and communication	915,301	831,556
Printing and stationery	564,922	451,635
Travelling and conveyance	5,219,495	4,812,831
Corporate social responsibility	–	–
Miscellaneous expenses	1,154,103	2,270,679
Less: NHAI Claim for reimbursement of expenses	–	(1,685,461)
	31,411,310	29,200,337

(a) Payments to auditor (including service tax) as follows:

Particulars	2017-18 ₹	2016-17 ₹
a) As auditor	311,520	310,470
b) For taxation matters	22,125	114,345
c) For company law matters	17,700	17,250
d) For other services	472,070	293,425
Total	823,415	735,490

(b) The company has ot made sufficient profits during the three immediately preceeding financial years. Thus, the company has not incurred any expense on Corproate Social Responsibility schemes mandated by Section 135 of the Companies Act, 2013

NOTE 23) OTHER COMPREHENSIVE INCOME

Particulars	2017-18 ₹	2017-18 ₹	2016-17 ₹	2016-17 ₹
Reclassifiable to profit or loss in subsequent periods		–		–
Not reclassifiable to profit or loss in subsequent periods				
Re-estimation of provision for defined benefit plan	127,741		(193,411)	
Less: Tax on the adjustment	–		66,936	
		127,741		(126,475)
		127,741		(126,475)

F CONTINGENT LIABILITIES

Disputed penalty towards delay in execution of the Major maintenance works, claimed by the NHAI - ₹ 14,70,14,164 (previous year - NIL).

G COMMITMENTS

Commitments - NIL (previous year - NIL)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

H NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Corporate Information

Western Andhra Tollways Limited is a Special Purpose Vehicle (SPV) incorporated on 20.01.2006 for the purpose of widening of existing two-lane, 56 kilometers Road stretch covering Jadcherla to Kothakota to make it four lane divided Carriageway facility under Build, Operate and Transfer (BOT) scheme of Government of India and operation and maintenance thereof, under the Concession Agreement dated January 2006. The Concession is for a period of 20 years including the construction period. At the end of the 20 years the entire facility will be transferred to National Highway Authority of India Ltd. The company achieved commercial operation on March 13, 2009 and upon receipt of the provisional completion certificate executed between the Company.

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

(i) Defined contribution plan:

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

An amount of ₹ 6,12,968 (previous year ₹ 5,26,863) being contribution made to recognised provident fund is recognised as expense and included under Employee benefit expense (Note 20) in the Statement of Profit and Loss.

(ii) Defined benefit plans:

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

i	Benefits offered	15/ 26 × Salary × Duration of Service
ii	Salary definition	Basic Salary including Dearness Allowance (if any)
iii	Benefit ceiling	Benefit ceiling of ₹ 10,00,000 was not applied
iv	Vesting conditions	5 years of continuous service (Not applicable in case of death/disability)
v	Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
vi	Retirement age	58 Years

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

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

Particulars		**Gratuity plan**	
		As at March 31, 2018	*As at March 31, 2017*
		₹	₹
A)	Present value of defined benefit obligation		
	- Wholly funded	**1,232,183**	*1,149,792*
	- Wholly unfunded	**–**	*–*
		1,232,183	*1,149,792*
	Less : Fair value of plan assets	**1,050,762**	*842,072*
	Amount to be recognised as liability or (asset)	**181,421**	*307,720*
B)	Amounts reflected in the Balance Sheet		
	Liabilities	**181,421**	*307,720*
	Assets	**–**	*–*
	Net Liability / (asset)	**181,421**	*307,720*
	Amounts reflected in the Balance Sheet		
	Net (Asset) / Liability - Current	181,421	307,720
	Net (Asset) / Liability - Non - Current	–	–

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

c) The amounts recognised in the Statement of Profit/ (loss) are as follows:

Particulars		Gratuity plan	
		2017-18	*2016-17*
		₹	₹
1	Current service cost	**180,089**	*141,970*
2	Net interest on defined benefit obligation	**15,129**	*27,678*
		195,218	*169,648*

d) Remeasurement recognized in other comprehensive income

Particulars	Gratuity plan	
	2017-18	*2016-17*
	₹	₹
Components of actuarial gain/losses on obligations		
Due to change in financial assumptions	**(35,173)**	*65,584*
Due to change in demographic assumption		–
Due to experience adjustments	**(93,664)**	*111,677*
Return on plan assets excluding amounts included in interest income	**1,096**	*16,150*
	(127,741)	*193,411*

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

Particulars	Gratuity plan	
	2017-18	*2016-17*
	₹	₹
Opening defined benefit obligation	**1,149,792**	*774,235*
Current service cost	**180,089**	*141,970*
Interest cost	**75,193**	*56,326*
Actuarial losses/(gains)		
Due to change in financial assumptions	**(35,173)**	*65,584*
Due to change in demographic assumption	**–**	–
Due to experience adjustments	**(93,664)**	*111,677*
Benefits paid	**(44,054)**	–
Closing balance of the present value of defined benefit obligation	**1,232,183**	*1,149,792*

f) The changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	Gratuity plan	
	2017-18	*2016-17*
	₹	₹
Opening balance of fair value of plan assets	**842,072**	–
Interest Income	**60,064**	*28,648*
Return on plan assets excluding amounts included interest income	**(1,096)**	*(16,150)*
Contribution by employer	**193,776**	*829,574*
Contribution by plan participants	**(44,054)**	–
Benefits paid		
Closing balance of fair value of plan assets	**1,050,762**	*842,072*

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

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

Particulars	Gratuity plan	
	2017-18	*2016-17*
Insurer managed funds	**100%**	*100%*
	100%	*100%*

h) Principal actuarial assumptions at the Balance Sheet date:

Particulars		2017-18	2016-17
1)	Discount rate	**7.30%**	*6.95%*
2)	Expected return on plan asset	**7.30%**	*6.95%*
3)	Salary growth rate	**6.00%**	*6.00%*
4)	Attrition rate	**3% to 15% based on the age band**	*3% to 15% based on the age band*
5)	Motality rates	Indian Assured Lives Mortality (2006-08) Table	

i) Maturity analysis of expected benefit payments

Particulars	Cashflows ₹	%
2019	**132,541**	5.20%
2020	**126,441**	4.90%
2021	**128,169**	5.00%
2022	**121,113**	4.70%
2023	**114,200**	4.50%
2024-2028	**445,616**	17.40%

The future accrual is not considered in arriving at the above cash flows

j) A quantitative sensitivity analysis for significant assumption as at 31 March 2017

Particulars		2017-18		2016-17	
		Change	**Obligation**	*Change*	*Obligation*
i)	Discount rate	**+0.5%**	**1,184,907**	*+0.5%*	*1,105,268*
		-0.5%	**1,282,989**	*-0.5%*	*1,197,782*
ii)	Salary growth rate	**+0.5%**	**1,283,386**	*+0.5%*	*1,197,991*
		-0.5%	**1,184,130**	*-0.5%*	*1,104,680*

j) Major risks to the plan

(i) Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to adverse salary growth experience, variability in mortality rates or variability in withdrawal rates.

(ii) Investment Risk:

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

(iii) Liquidity Risk:

Empllyees with high salaries and long duration or those highter in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company there can be strain on the cashflows.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(iv) Market Risk:

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

(v) Legislative Risk:

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

3 Disclosure pursuant to Ind AS 23 "Borrowing Costs"

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

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

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

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

a) List of related parties

Holding Company : L&T Infrastructure Development Projects Limited

Company exercising significant influence over Holding company : Larsen & Toubro Limited

Fellow Subsidiaries : L&T General Insurance Company Limited
L&T Deccan Tollway Limited
Krishnagiri Thopur Toll Road Limited
L&T BPP Tollway Limited
Kudgi Transmission Limited

Key managerial personnel : Mr. Madan Mohan Vangara

b) Disclosure of related party transactions:

Particulars	**2017-18**	*2016-17*
	₹	₹
Nature of transaction		
1 Purchase of goods and services incl. taxes		
Company exercising significant influence over Holding company		
Larsen & Toubro Limited	**2,349,438**	*1,865,575*
Holding company		
L&T Infrastructure Development Projects Limited	**24,342,304**	*22,096,835*
Fellow subsidiaries		
Larsen & Toubro ECCD	**533,600**	*462,300*
	27,225,342	*24,424,710*
2 Reimbursement of expenses charged		
Holding company		
L&T Infrastructure Development Projects Limited	**16,914**	*6,495*
	16,914	*6,495*

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Particulars	2017-18	2016-17
	₹	₹
3 Reimbursement of expenses from		
Company exercising significant influence over Holding company		
Larsen & Toubro Limited	**10,905,856**	*8,949,175*
Holding company		
L&T Infrastructure Development Projects Limited	**–**	*749*
Fellow subsidiaries		
Krishnagiri Thopur Toll Road Limited	**–**	*50,000*
L&T Deccan Tollway Limited	**150,626**	*32,683*
	11,056,482	*9,032,607*
4 Receipt of refundable deposit received for directors' nomination		
Holding company		
L&T Infrastructure Development Projects Limited	**–**	*100,000*
	–	*100,000*
5 Purchase/ (Redemption) of Commercial Paper from		
Holding company		
L&T Infrastructure Development Projects Limited	**(300,000,000)**	*550,000,000*
	(300,000,000)	*550,000,000*
6 Sale of Commercial Paper to		
Fellow subsidiaries		
BPP Tollway Limited	**–**	*59,747,940*
	–	*59,747,940*
7 ICD/Unsecured Loan granted to/ (repaid back)		
Fellow subsidiaries		
Kudgi Transmission Limited	**(150,000,000)**	*150,000,000*
	(150,000,000)	*150,000,000*

	Particulars	2017-18	2016-17
		₹	₹
c)	**Key management personnel compensation**		
	Payments of salaries and perquisites		
	Mr Madan Mohan Vangara	**1,582,900**	*1,300,278*
		1,582,900	*1,300,278*

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

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

(Amount in ₹)

Particulars	Amounts due (to)/from	
	As at March 31, 2018	*As at March 31, 2017*
Holding Company		
L&T Infrastructure Development Projects Limited	**(4,396,332)**	*297,968,254*
Ultimate Holding Company		
Larsen & Toubro Limited	**(1,883,984)**	*(1,342,890)*
Fellow Subsidiaries		
Kudgi Transmission Limited	**–**	*150,000,000*

d) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2018, the company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

e) For the year ended March 31, 2018, the company has not recorded any impairment of receivables relating to amounts owned by related parties (March 31, 2017 : ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. No expense has been recognized in the current year or prior years for bad or doubtful debts in respect of the amounts owed by the related parties.

f) Guarantees given to / received from related parties - Nil (Previous year: Nil)

g) Commitments with related parties

There are no commitments with related parties as at 31 March 2018 (Previous year: INR Nil)

6 Disclosure pursuant to Ind AS 17 "Leases"

The company has given on operating lease, the residential flat at Pune. The leases are cancellable at the option of either of the parties. There are no exceptional/ restrictive covenants in the lease agreement. The company has also given the way-side amenities on rent for commercial operations.

Contingent rent recognised in the statement of profit and loss for the year is ₹ NIL (previous year ₹ NIL).

The Company has not taken any asset on finance lease.

7 Disclosure pursuant to Ind AS 33 "Earnings per share"

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

Particulars		2017-18	2016-17
		₹	₹
Basic and Diluted			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	**110,797,352**	*98,327,357*
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	**56,500,000**	*56,500,000*
Basic and Diluted EPS (₹)	A / B	**1.96**	*1.74*
Face value per equity share (₹)		**10.00**	*10.00*

8 Disclosure pursuant to Ind AS 36 "Impairment of Assets"

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

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

a) Nature of provisions:

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

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

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

Considering that the expense to be incurred is depended on various factors including the usage, wear and tear of the highway, bituminous overlay, etc, it is not possible to estimate the exact timing and the quantum of the cashflow. However the management estimates to incurr major portion of the expenditure during 2019-20. The management does not expect any re-imbursement towards the expenses to be incurred.

b) **Movement in provisions:**

Particulars	**Major maintenance provision**	
	2017-18	*2016-17*
Carrying amount as at the beginning of the year	**309,797,424**	*190,013,446*
Additional provision	**111,299,996**	*101,600,000*
Increase in discounted amount due to passage of time and changes in discount rate	**29,647,308**	*18,183,978*
Carrying amount as at the end of the year	**450,744,728**	*309,797,424*

c) **Contingent Liabilities :**

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

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

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

11 Financial Instruments

Disclosure of Financial Instruments by Category

Financial instruments by categories	**Note no.**	**As at March 31, 2018**			*As at March 31, 2017*		
		FVTPL	**FVTOCI**	**Amortized cost**	*FVTPL*	*FVTOCI*	*Amortized cost*
Financial asset							
Security deposits	3	–	–	**1,438,828**	–	–	*1,438,828*
Loans to related parties	3	–	–	–	–	–	*143,813,952*
Investments	6	**790,210,370**	–	–	*412,068,972*	–	–
Cash and cash equivalents	7	–	–	**154,937,792**	–	–	*22,858,411*
Other bank balances	8	–	–	**3,277,811**	–	–	*100,882*
Other financial assets	4			**23,865,592**			*12,907,214*
Total Financial Asset		**790,210,370**	–	**183,520,023**	*412,068,972*	–	*181,119,287*
Financial liability							
Term loans (incl Debentures)	12	–	–	**2,147,226,925**	–	–	*2,215,027,037*
Trade payables	16	–	–	**20,192,591**	–	–	*12,306,704*
Other financial liabilities	13	–	–	**18,570,709**	–	–	*7,560,969*
Total Financial Liabilities		–	–	**2,185,990,225**	–	–	*2,234,894,710*

Default and breaches

There are no defaults with respect to payment of principal interest or redemption terms and no breaches of the terms and conditions of the loan.

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

12 Fair value of Financial asset and liabilties at amortized cost

Particular	Note no.	As at March 31, 2018		*As at March 31, 2017*	
		Carrying amount	Fair value	*Carrying amount*	*Fair value*
Financial Assets					
Security deposits	3	**1,438,828**	**1,438,828**	*1,438,828*	*1,438,828*
Loans to related parties	3	**-**	**-**	*143,813,952*	*143,813,952*
Cash and cash equivalents	7	**154,937,792**	**154,937,792**	*22,858,411*	*22,858,411*
Other bank balances	8	**3,277,811**	**3,277,811**	*100,882*	*100,882*
Other financial assets	4	**23,865,592**	**23,865,592**	*12,907,214*	*12,907,214*
Total Financial Assets		**183,520,023**	**183,520,023**	*181,119,287*	*181,119,287*
Financial liability					
Term loans (incl Debentures)	12	**2,147,226,925**	**2,147,226,925**	*2,215,027,037*	*2,215,027,037*
Trade payables	16	**20,192,591**	**20,192,591**	*12,306,704*	*12,306,704*
Other financial liabilities	13	**18,570,709**	**18,570,709**	*7,560,969*	*7,560,969*
Total Financial Liabilities		**2,185,990,225**	**2,185,990,225**	*2,234,894,710*	*2,234,894,710*

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

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

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

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

13 Fair Value Measurement

Fair Value Measurement of Financial asset and Financial liabilties

Fair value hierarchy

As at March 31, 2018

Financial Asset & Liabilites Measured at FV - Recurring FVM	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL					
Investments in Mutual Funds	6	**790,210,370**	**–**	**–**	**790,210,370**
Total of Financial Assets		**790,210,370**	**–**	**–**	**790,210,370**
Financial Liabilities measured at FVTPL		**–**	**–**	**–**	**–**
Total of Financial Liabilities		**–**	**–**	**–**	**–**
Financial Asset & Liabilites Measured at Amortized cost for which fair values are to be disclosed	**Note No.**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Security deposits	3	**–**	**–**	**1,438,828**	**1,438,828**
Cash and cash equivalents	7	**–**	**–**	**154,937,792**	**154,937,792**
Other bank balances	8	**–**	**–**	**3,277,811**	**3,277,811**
Other financial assets	4	**–**	**–**	**23,865,592**	**23,865,592**
Total of Financial Assets		**–**	**–**	**183,520,023**	**183,520,023**
Financial Liabilities					
Term loans (incl Debentures)	12	**–**	**2,147,226,925**	**–**	**2,147,226,925**
Trade payables	16	**–**	**–**	**20,192,591**	**20,192,591**
Other financial liabilities	13	**–**	**–**	**18,570,709**	**18,570,709**
Total Financial liabilties		**–**	**2,147,226,925**	**38,763,300**	**2,185,990,225**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

As at March 31, 2017

Financial Asset & Liabilites Measured at FV - Recurring FVM	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL					
Investments in Mutual Funds	6	*412,068,972*	–	–	*412,068,972*
Total of Financial Assets		*412,068,972*	–	–	*412,068,972*
Financial Liabilitieis measured at FVTPL		–	–	–	–
Total of Financial Liabilities		–	–	–	–
Financial Asset & Liabilites Measured at Amortized cost for which fair values are to be disclosed	**Note No.**	*Level 1*	*Level 2*	*Level 3*	*Total*
Financial Assets					
Security deposits	3	–	–	*1,438,828*	*1,438,828*
Loans to related parties	3	–	–	*143,813,952*	*143,813,952*
Cash and cash equivalents	7	–	–	*22,858,411*	*22,858,411*
Other bank balances	8	–	–	*100,882*	*100,882*
Other financial assets	4	–	–	*12,907,214*	*12,907,214*
Total Financial Assets		–	–	*181,119,287*	*181,119,287*
Financial Liabilities					
Long term borrowings	12	–	*2,215,027,037*	–	*2,215,027,037*
Trade payables	16	–	–	*12,306,704*	*12,306,704*
Other financial liabilities	13	–	–	*7,560,969*	*7,560,969*
Total Financial Liabilities		–	*2,215,027,037*	*19,867,673*	*2,234,894,710*

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

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

Valuation technique and inputs used to determine fair value

Financial assets and liabilities	**Valuation method**	***Inputs***
Financial assets		
Investment in Mutual Funds	Market Approach	*NAV*
Security deposit	Income	*Cash flow*
Financial liabilities		
Long term borrowings	Income	*Current bank rate*
Term Loan from related parties	Income	*Current bank rate*
Other Current Financial Liabilities	Income	*Current bank rate*

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

14 Asset pledged as security

Particulars	Note no	*31.03.2017*	*31.03.2016*
Non Financial Asset			
Property, Plant & Equipment	1	*7,278,622*	*8,162,925*
Intangible assets	2	*2*	*2*
Financial Asset			
Investments	6	*790,210,370*	*412,068,972*
Cash and cash equivalents	7	*154,937,792*	*22,858,411*
Other bank balances	8	*3,277,811*	*100,882*
Loans	3	*1,438,828*	*145,252,780*
Other financial assets	4	*23,865,592*	*12,907,214*
Other receivables	5	–	*24,859*
TOTAL		*981,009,017*	601,376,045

15 Financial Risk Management

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

A) Market risk

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

i Foreign Currency Risk

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

The company is not exposed to foreign currency risk as it has no borrowings or payables in foreign currency

ii Interest rate risk

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

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

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

For non convertible debentures, the rate of interest is fixed as per the loan agreements. Hence no interest rate risk not considered.

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

Particulars	31.03.2018	*31.03.2017*
Term loans from banks	**1,201,592,679**	*1,250,746,315*

Sensitivity analysis based on average outstanding Senior Debt

Interest Rate Risk Analysis	Impact on profit/ loss after tax	
	FY 2017-18	*FY 2016-17*
Increase or decrease in interest rate by 25 basis points	**3,065,424**	*3,188,308*

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

iii Price risk

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

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

The company measures risk through sensitivity analysis.

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

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

Particulars	**Note No.**	**31.03.2018**	*31.03.2017*
Investments in Mutual Funds	6	**790,210,370**	*113,448,222*

Sensitivity Analysis

	Impact on profit/ loss after tax	
	31.03.2018	*31.03.2017*
Increase or decrease in NAV by 2%	**15,804,207**	*2,268,964*

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

B) Liquidity risk

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

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

The company measures risk by forecasting cash flows.

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

The following are the contractual maturities of financial liabilities

As at March 31, 2018	**upto 1 year**	**1 - 2 years**	**2 - 5 years**	**> 5 years**	**Total**	**Carrying Amount**
Non Derivative Financial Liability						
Term loan from Banks	**72,295,142**	**80,141,798**	**318,563,644**	**730,592,095**	**1,201,592,679**	**1,197,226,925**
Debentures	**20,000,000**	**60,000,000**	**390,000,000**	**480,000,000**	**950,000,000**	**950,000,000**
Trade Payables	**20,192,591**	**–**	**–**	**–**	**20,192,591**	**20,192,591**
Other financial liabilities	**18,910,709**	**–**	**–**	**–**	**18,910,709**	**18,910,709**
Derivative Financial Liability	**–**	**–**	**–**	**–**		**–**

As at March 31, 2017	***upto 1 year***	***1 - 2 years***	***2 - 5 years***	***> 5 years***	***Total***	***Carrying Amount***
Non Derivative Financial Liability						
Term loan from Banks	*49,153,636*	*71,726,908*	*147,193,768*	*982,672,003*	*1,250,746,315*	*1,245,027,037*
Debentures	*20,000,000*	*20,000,000*	*430,000,000*	*500,000,000*	*970,000,000*	*970,000,000*
Trade Payables	*12,306,704*	–	–	–	*12,306,704*	*12,306,704*
Other financial liabilities	*7,560,969*	–	–	–	*7,560,969*	*7,560,969*
Derivative Financial Liability	–	–	–	–		–

C) Credit risk

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

The company generally does not have trade receivables as collection of toll income coincide as and when the traffic passes through toll - plazas. Hence, the management believes that the company is not exposed to any credit risk.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

16 Disclosure pursuant to Appendinx - A to Ind AS 11 - " Service Concession Arrangements"

16.1 Description and classification of the arrangment

Western Andhra Tollways Limited is a Special Purpose Vehicle (SPV) incorporated on 20.01.2006 for the purpose of widening of existing two-lane, 56 kilometers Road stretch covering Jadcherla to Kothakota to make it four lane divided Carriageway facility under Build, Operate and Transfer (BOT) scheme of Government of India and operation and maintenance thereof, under the Concession Agreement dated January 2006. The Concession is for a period of 20 years including the construction period. At the end of the 20 years the entire facility will be transferred to National Highway Authority of India Ltd. The company achieved commercial operation on March 13, 2009 and upon receipt of the provisional completion certificate executed between the Company.

16.2 Significant Terms of the arrangements

i) Revision of Fees:

Fees shall be revised annually on September 1 subject to the provisions Schedule G of the Concession Agreement (CA).

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

As per Article VII of the CA, the company is required to pay ₹ 1 and concession fee per annum.

iii) Rights of the Company for use Project Highway

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

b Right of Way, access and licence to the site

iv) Obligation of the Company

a The company shall not assign, transfer or sublet or create any lien or Encumbrance on the CA or the Concession granted or on the whole or any part of the Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by CA or the Substitution Agreement.

b The company is under obligation to carry out the routine and periodic maitenance of Project Highway as per Clause CA

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

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

vi) Details of Termination

CA can be terminated on account of default of the company or NHAI in the circumstances as specified under Chapter VI and VII of the CA.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

I. SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of preparation

(a) Compliance with IndAS

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

(b) Basis of measurement

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

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

(c) Use of estimates and judgements

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

(d) Measurement of fair values

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

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

2 Presentation of financial statements

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

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

3 Revenue recognition

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

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

a) Toll collections from the users of the infrastructure facility constructed by the Company under the Service Concession Arrangement is accounted for based on actual collection, net of revenue share payable under the Concession agreement wherever applicable. Revenue from sale of smart cards is accounted on cash basis.

b) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate. Interest Income on non-performing assets is recognised upon realization, as per guidelines issued by the Reserve Bank of India.

c) License fees for way-side amenities are accounted on accrual basis.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

d) Contract revenue for fixed price contracts is recognised only to the extent of cost incurred that it is probable will be recoverable till such time the outcome of the job cannot be ascertained reliably. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

Percentage of completion is determined based on the proportion of actual cost incurred to the total estimated cost of the project. 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 recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

For the purposes of recognising 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.

For this purpose, actual cost includes cost of land and developmental rights but excludes borrowing cost. Expected loss, if any, on the construction activity is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

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

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

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

4 Cash and bank balances

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

5 Cash flow statement

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

(a) transactions of a non-cash nature;

(b) any deferrals or accruals of past or future operating cash receipts or payments and,

(c) all other items of income or expense associated with investing or financing cash flows.

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

6 Property, plant and equipment (PPE)

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

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

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

The estimated useful lives of the assets are as follows:

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

Category of Property, plant and equipment	**Estimated useful life (in years)**
Buildings including ownership flats	50
Plant and equipment:	
DG Sets	12
Air-conditioning and refrigeration equipment	12
Split AC and Window AC	4
Furniture and fixtures	10
Vehicles:	
Motor cars (other than those under the Company owned car scheme)	7
Motor cars (under the Company owned car scheme)	5
Motor cycles, scooters and other mopeds	10
Tractors and other vehicles	8
Office equipment:	
Multifunctional devices, printers, switches and projectors	4
Other office equipments	5
Computers:	
Servers and systems	6
Desktops, laptops, etc,	3
Wind power generating plant	20
Electrical installations	10

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

For transition to IndAS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as of April 01, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost on the transition date.

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

7 Amortisation of intangible assets

Toll collection rights in respect of road projects are amortized over the period of concession using the straight line method prescribed under IndAS. Under the straight line method, the asset is amortised over the period of 20 years in accordance with the concession agreement as they represent right to collect Toll revenue during the concession period.

8 Exceptional items

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

9 Intangible assets

a) Rights under Service Concession Arrangements

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

Toll Projects (Right to charge users)

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

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

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

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

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

b) Other intangible assets

Specialized software is amortized over a period of three to six years on straight line basis from the month in which the addition is made.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the assets' revised carrying amount over its remaining useful life.

10 Foreign currency transactions and translations

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

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

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

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

11 Investments

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

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

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the requirements of cost model.

For transition to IndAS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as of April 01, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost on the transition date.

12 Employee benefits

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

(i) Short term employee benefits

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

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

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

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

(ii) Post employment benefits

(a) Defined contribution plans:

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

(b) Defined benefit plans:

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

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

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

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

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

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

(iii) Other long term employee benefits:

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

(iv) Termination benefits

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

13 Borrowing costs

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

14 Leases

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

Finance leases:

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

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

Operating leases:

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

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

15 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

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

16 Income taxes

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

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

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

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

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

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

17 Impairment of assets

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

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

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

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

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

18 Provisions, contingent liabilities and contingent assets

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

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

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

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

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

19 Financial Instruments

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

a) Financial Assets

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

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

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

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

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

Debt instruments at FVTPL is a residual category for debt instruments and all changes are recognised in profit or loss.

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

Interest income, dividend income and exchange difference (on debt instrument) on FVTOCI debt instruments is recognised in profit or loss and other changes in fair value are recognised in OCI and accumulated in other equity. On disposal of debt instruments FVTOCI the cumulative gain or loss previously accumulated in other equity is reclassified to profit & loss. However in case of equity instruments at FVTOCI cumulative gain or loss is not reclassified to profit & loss on disposal of investments.

A financial asset is primarily derecognised when:

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

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

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

b) Financial Liabilities

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

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

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

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

20 Insurance claims

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

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

21 Operating Cycle

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

22 Claims

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

23 Commitments

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

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for

(ii) Uncalled liability on shares and other investments partly paid

(iii) Funding related commitment to subsidiary, associate and joint venture companies and

(iv) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

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

As per our report attached

For and on behalf of the Board

For **GIANENDER & ASSOCIATES**
Chartered Accountants
Firm Registration No: 04661N
By the hand of

R K AGRAWAL
Partner
Membership No. 085671

V. NAGARAJAN
Company Secretary
M. No.: A 18775

MVVSS RAMALINGESHWARA RAO
Chief Financial Officer

MATHEW GEORGE
Director
DIN: 07402208

T. S. VENKATESAN
Director
DIN: 01443165

Place : New Delhi
Date : April 23, 2018

Place : Chennai
Date : April 23, 2018