

Valecha Badwani Sendhwa Tollways Roads Limited

**“Valecha Chambers,”
4th Floor, New Link Road,
Andheri (West),
Mumbai – 400 053**

Annual Report F.Y. 2019-20

RAJRATAN KOTHARI ASSOCIATES
CHARTERED ACCOUNTANTS

2ND FLOOR, SAMADHAN, L.T.ROAD,
MULUND (EAST), MUMBAI - 400 081

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MOBILE NO.: +91 98210 12212

Email ID : rajratankothari@gmail.com

INDEPENDENT AUDITORS' REPORT

**To the Members of Valecha Badwani Sendhwa Tollways Limited
Report on the Audit of the Financial Statements**

1. Opinion

We have audited the accompanying financial statements of **Valecha Badwani Sendhwa Tollways Limited ("the Company")**, which comprise the Balance Sheet as at 31st March 2020, and 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its losses (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

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

3. Emphasis of Matter

We draw attention to Note No. 22 says that the liability for employees' benefit was not worked out as required under IND AS -19 "Employee Benefit". The consequential impact on the financial statements, if any, as a result of the same is presently not ascertainable.

Without qualifying our opinion, we draw attention to Note No.31 of financial statement regarding non-reconciliation /non-confirmation of balances of certain creditors and Advances, impact whereof presently cannot be commented.



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4. Information Other than the Financial Statements and Auditor's Report thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in Company's directors Report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. If, based on the work performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

5. Responsibilities of Management and Those Charged with Governance for the Financial Statements

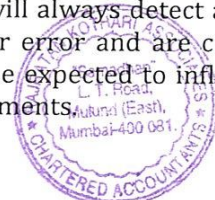
The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

6. Auditors' Responsibility for the Audit of the Financial Statements

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



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

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

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

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

7. Report on Other Legal and Regulatory Requirements

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



RAJRATAN M. KOTHARI

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

- i. 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.
- ii. 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.
- iii. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- iv. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- v. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- vi. With respect to the adequacy of the Internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- vii. 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:
 - a. The Company does not have any pending litigations which would impact its financial position.
 - b. The company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses;
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. With respect to the other matters to be included in Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information's and according to the explanations given to us, no remuneration paid by the Company to its directors during the year.

For RAJRATAN KOTHARI ASSOCIATES

Chartered Accountants

Firm Regn. No: 113704 W

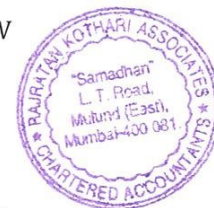
R.M. Kothari

R.M.KOTHARI

Proprietor

Membership No. 032428

UDIN: 20032428AAAADV2226



Place: Mumbai
Date: 26-10-2020

RAJRATAN M. KOTHARI

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Annexure A to the Auditor's Report

The annexure referred to in Independent Auditors' Report to the member of the Valecha Badwani Sendhwa Tollways Limited ("the Company") on the financial statement for the year ended 31st March 2020, we report that;

(i) Fixed Assets

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The Company has a regular program of physical verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the informations and explanations given to us, there is no Immovable Property in the books of accounts of the Company. Thus, the provision of clause 3(i)(c) of the Order is not applicable to the Company

(ii) Inventories

There were no inventory lying as on 31.03.2020, accordingly, the provisions of clause (ii) of the Order is not applicable to the company.

(iii) Loans given

According to the information and explanations given to us, during the year, the Company has not granted any Secured or unsecured loan to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, reporting under paragraph 3 (iii) (a), (b) and (c) of the order is not applicable to the Company.

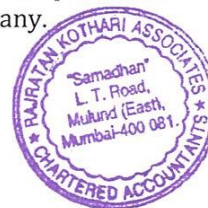
(iv) Compliance of Sec. 185 & 186

According to the information and explanations given to us, the Company has not given loans or guarantees to directors or other persons in which a director is interested or provide security in connection with a loan and as such section 185 of the Companies Act is not applicable.

(v) Public Deposit

During the year, the company has not accepted any deposits from the public. Accordingly reporting under paragraph 3 (v) of the order is not applicable to the Company.

[Handwritten Signature]



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(vi) Cost Records

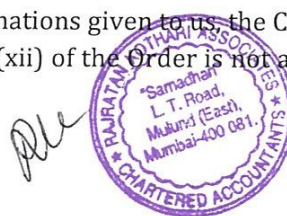
To the best of our knowledge and according to the information and explanation provided to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act.

(vii) Statutory Dues

- a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has generally been regular in depositing its undisputed statutory dues including Provident Fund, Employees State insurance, Income-tax, Goods and Service tax, Custom duty, Cess, etc. As explained to us there are no undisputed dues payable in respect of Provident Fund, Employees State insurance, Income-tax, Goods and Service tax, Custom duty, Cess, etc outstanding as on 31st March, 2020 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and the records of the company examined by us and as per our verification of record of the Company the disputed tax which are not deposited with appropriate authorities as at 31st March, 2020 are given below.

Nature of the Statute	Nature of Dues	Forum where Dispute is pending	Period to which the Amount relates	Amount in Rs.
The Income Tax Act, 1961	Disallowance of Depreciation claimed	In the High Court of Bombay	AY 2013-14	Tax effect of Rs. 5,72,05,755/-

- (viii) Company has not defaulted in repayment of loans or borrowing to financial institutions, banks, government or dues to debenture holders.
- (ix) The Company didn't raise any money by way of initial public offer or further public offer or term loans during the year. Accordingly, reporting under paragraph 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanation given to us, and based on the audit procedure performed by us, we report that no fraud by the Company or no fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) According to information & explanations given to us, the Company has not paid any managerial remuneration to its directors. Accordingly, reporting under paragraph 3(xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, reporting under paragraph 3(xii) of the Order is not applicable to the Company.



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- (xiii) As per the information and explanations given by the management, all the transactions with the related parties are in compliance with section 188 of the Act, where applicable, and the details have been disclosed in the financial statements, as required by the applicable accounting standards. *However, company has not complied with the provision of section 177 of Companies Act 2013.*
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, reporting under paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) As per the information and explanations given by the management, the company has not entered into any non-cash transaction with directors or persons connected with him. Accordingly, reporting under paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) As per the information and explanations given by the management, company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under paragraph 3(xvi) of the Order is not applicable to the Company.

For RAJRATAN KOTHARI ASSOCIATES
Chartered Accountants
Firm Regn. No: 113704 W

R.M.KOTHARI
Proprietor
Membership No. 032428
UDIN: 20032428AAAADV2226



Place: Mumbai
Date: 26-10-2020

RAJRATAN M. KOTHARI

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ANNEXURE B

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

Opinion

We have audited the internal financial controls over financial reporting of Valecha Badwani Sendhwa Tollways Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, 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 31st March, 2020, 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.

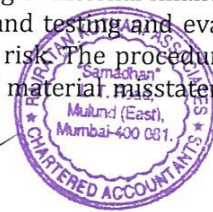
Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.



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

Meaning of Internal Financial Controls Over Financial Reporting

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

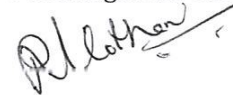
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

For RAJRATAN KOTHARI ASSOCIATES

Chartered Accountants

Firm Regn. No: 113704 W



R.M.KOTHARI

Proprietor

Membership No. 032428

UDIN: 20032428AAAADV2226



Place: Mumbai

Date: 26-10-2020

Valecha Badwani Sendhwa Tollways Limited

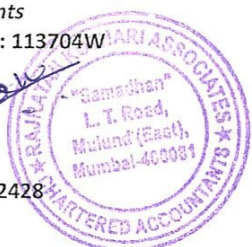
Balance Sheet as at 31st March 2020

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	1	35,268	45,440
(b) Other Intangible assets	1	449,090,759	518,181,645
(c) Income Tax Assets	2	6,574,204	5,580,204
Current assets			
(a) Financial Assets			
(i) Cash and cash equivalents	3	56,686,444	47,809,049
(ii) Other financial assets	4	83,242	83,242
(b) Other current assets	5	2,078,869	238,529
Total Assets		514,548,786	571,938,109
EQUITY AND LIABILITIES			
(A) Equity share capital	6	50,000,000	50,000,000
(b) Other Equity	7	(110,378,263)	(69,014,945)
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	8	388,442,263	435,800,000
(b) Deferred Tax Liabilities (Net)	9	37,737,451	37,737,451
(c) Provisions	10	49,225,239	23,814,967
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	11	193,920	224,000
(ii) Other Financial liability	12	67,901,202	60,631,769
(b) Other Current liabilities	13	31,426,973	32,744,867
Total Equity and Liabilities		514,548,786	571,938,109

As per our report of even date

For Rajratan Kothari Associates
Chartered Accountants
Firm Registration No: 113704W

Rajratan M Kothari
Membership No.: 032428
Proprietor
Place : Mumbai.
Date : 26th Oct. : 2020



For and on behalf of the Board

Anil Sakharam Korpe
(Director)
DIN : 07543339

Santosh Kumar Patro
(Director)
DIN : 07571177



Valecha Badwani Sendhwa Tollways Limited

Statement of Profit & Loss for the Period Ended on 31st March 2020

(Amount in INR)

Particulars	Note No	Year Ended March 31, 2020	Year Ended March 31, 2019
I. Revenue from operations	14	127,666,770	128,239,240
II. Other income		-	1,077,293
III. Total Revenue (I + II)		127,666,770	129,316,533
IV. Expenses:			
Employee benefits expense	15	3,776,343	3,820,602
Finance costs	16	57,589,650	63,912,109
Depreciation and amortization expense		69,101,058	69,133,263
Other expenses	17	38,563,037	23,791,327
Total expenses		169,030,088	160,657,301
V. Loss before exceptional and extraordinary items and tax (III-IV)		(41,363,318)	(31,340,768)
VI. Exceptional items		-	-
VII. Loss before extraordinary items and tax (V - VI)		(41,363,318)	(31,340,768)
VIII. Extraordinary Items		-	-
IX. Loss before tax (VII- VIII)		(41,363,318)	(31,340,768)
X Tax expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
XI Loss for the Period		(41,363,318)	(31,340,768)
XII Other Comprehensive Income			
A Items that will not be reclassified to Profit & Loss (net of tax)		-	-
B Items that will be reclassified to Profit & Loss (net of tax)		-	-
C Transaction with owners in their capacity as owners		-	-
Total Comprehensive income for the period (XI + XII) (Comprising profit/loss and other comprehensive income for the period)		(41,363,318)	(31,340,768)
XIII Earnings per equity share:			
(1) Basic		(8.27)	(6.27)
(2) Diluted		(8.27)	(6.27)

The notes form an integral part of these financial statements

As per our report of even date

For Rajratan Kothari Associates

Chartered Accountants

Firm Registration No.: 113704W

Rajratan M Kothari

Membership No.: 032428

Proprietor

Place : Mumbai

Date : 26th Oct. 2020

For and on behalf of the Board

Anil Sakham Korpe
(Director)

DIN : 07543339

Santosh Kumar Patro
(Director)

DIN : 07571177

Valecha Badwani Sendhwa Toll Ways Limited

Cash Flow Statement For The Year Ended On 31st March, 2020

	As at 31st March, 2020	As at 31st March, 2019
A Cash flow from Operating Activity		
Loss Before Tax and Extraordinary Item	(41,363,318)	(31,340,768)
Add / (Deduct) Adjustment for :		
Depreciation	69,101,058	69,133,263
Interest Received	-	-
Operating Profit before working capital changes	27,737,740	37,792,495
Other Financial assets	-	13,107,278
Other current assets	(1,840,340)	16,876
Income Tax assets	(994,000)	(994,000)
Other current liabilities	(1,317,894)	(395,777)
Other financial liability	(30,567)	12,269
Long term Provision	25,410,272	7,276,796
Short term borrowings	-	-
Trade and other Payables	(30,080)	(59,943)
Net Cash Flow from Operating Activity	48,935,132	56,755,994
B Cash Flow from Investing Activity		
Interest Received	-	-
Net Cash flow From Investing Activity	-	-
C. Cash Flow from Financing Activities		
Increase in other equity	-	-
Repayment Of Loan	(40,057,737)	(37,100,000)
Net Cash From Financing Activities	(40,057,737)	(37,100,000)
Net Increase / (Decrease) in Cash and Cash Equivalents	8,877,395	19,655,994
Opening Balance of Cash and Cash Equivalents	47,809,049	28,153,056
Closing Balance of Cash and Cash Equivalents	56,686,444	47,809,049

As per our report of even date

For Rajratan Kothari Associates

Chartered Accountants

Firm Registration No: 113704W

For and on behalf of the Board

Rajratan M Kothari

Membership No.: 032428

Proprietor

Place : Mumbai

Date : 26th Oct. 2020

Anil Sakharan Korpe
(Director)

DIN : 07543339

Santosh Kumar Patro
(Director)

DIN : 07571177

Valecha Badwani Sendhwa Tollways Limited

Statement of changes in equity

A. Equity Share Capital

Particulars	Amount
Balance as at April 1, 2019	50,000,000
Changes in equity share capital during the year	-
Balance as at March 31, 2020	50,000,000

B. Other Equity

Particulars	Reserves and Surplus			Total
	Retained Earnings	Compulsory Convertible Debenture	Corporate Guarantee	
Balance as at March 31, 2018	(259,924,374)	200,000,000	22,250,197	(37,674,177)
Profit for the year	(31,340,768)	-	-	(31,340,768)
Other comprehensive income	-	-	-	-
Balance as at March 31, 2019	(291,265,142)	200,000,000	22,250,197	(69,014,945)
Profit for the year	(41,363,318)	-	-	(41,363,318)
Other comprehensive income	-	-	-	-
Balance as at March 31, 2020	(332,628,460)	200,000,000	22,250,197	(110,378,263)

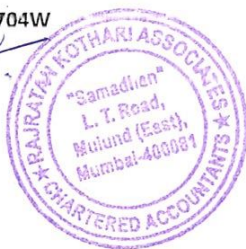
As per our report of even date

For Rajratan Kothari Associates

Chartered Accountants

Firm Registration No: 113704W

Rajratan M Kothari
Membership No.: 032428
Proprietor
Place : Mumbai
Date : 26th Oct., 2020



For and on behalf of the Board

Anil Sakham Korpe
(Director)
DIN : 07543339

Santosh Kumar Patro
(Director)
DIN : 07571177



1 NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020



AM



Valecha Badwani Sendhwa Tollways Limited
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020

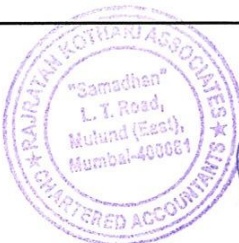
2 Income Tax Assets	31st March 2020	31st March 2019
	(Amount in INR)	(Amount in INR)
Advance income tax	6,574,204	5,580,204
Total	6,574,204	5,580,204

3 Cash and cash equivalents	31st March 2020	31st March 2019
	(Amount in INR)	(Amount in INR)
Cash on Hand	274,837	469,805
Balances with Banks in current account	56,411,607	47,339,244
Total	56,686,444	47,809,049

4 Other financials assets - Current	31st March 2020	31st March 2019
	(Amount in INR)	(Amount in INR)
Loans & Advances	83,242	83,242
Total	83,242	83,242

5 Other current assets	31st March 2020	31st March 2019
	(Amount in INR)	(Amount in INR)
Preliminary Expenses		
Advances to related parties	240,890	232,890.00
Prepaid Expenses	337,979	5,639.00
Material/Work Advance	1,500,000	-
Total	2,078,869	238,529

6 Share capital	31st March 2020	31st March 2019
	(Amount in INR)	(Amount in INR)
(I) Authorised Share Capital		
50,00,000 Equity Shares of Rs 10 each	50,000,000	50,000,000
(II) Equity Shares - Issued, Subscribed and Paid up		
50,00,000 Equity Shares of Rs 10 each	50,000,000	50,000,000
Total	50,000,000	50,000,000
(III) Reconciliation of the shares outstanding at the beginning and the at the end of the reporting period		
Opening no. of shares-	50,00,000 Equity Shares of Rs 10.00 each allotted as fully paid	
	50,000,000	50,000,000
Issued during the period-	Nil	
Ousting at the end of the period-	50,00,000 Equity Shares of Rs 10.00 each allotted as fully paid	
	50,000,000	50,000,000
(IV) Share Holding Pattern-Share in the Company held by each shareholder holding more than 5% shares and held by the holding and fellow subsidiary Company :		
1)	Valecha Infrastructure Limited (Holding Company) nos. 37,00,000 Equity Shares of Rs 10 each	
2)	Artefact Infrastructure Ltd. nos. 13,00,000 Equity Shares of Rs 10 each	
(V) Terms / Rights attached to Shares:		
(a) The company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.		
(b) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		



7 Other Equity	31st March 2020	31st March 2019
	(Amount in INR)	(Amount in INR)
(I) Retained Earning		
Balance Brought Forward	(291,265,142)	(259,924,374)
Provision for Resurfacing	-	-
Surplus / (Deficit) in Statement of Profit & Loss during the Year	(41,363,318)	(31,340,768)
	(332,628,460)	(291,265,142)
(II) Transaction with owners in their capacity as owners		
Gaurantee fee	22,250,197	22,250,197
(III) Compulsory Convertible Debenture (Unsecured)		
(The CCD's issued shall be of maturity of 10 years and after expiry of the said 10 years from issuance on 04/10/2010, the Subscriber shall have a right to opt for conversion of the CCD into equivalent number of equity share).	200,000,000	200,000,000
1,48,00,000/- CCD of Rs. 10 each allotted to M/s Valecha Infrastructure Limited		
52,00,000/- CCD of Rs. 10 each allotted to M/s Artefact Infrastructure Limited		
Total	(110,378,263)	(69,014,945)

8 Borrowings - Non Current	31st March 2020	31st March 2019
	(Amount in INR)	(Amount in INR)
(II) Term Loan		
Vijaya Bank (Secured)	-	435,800,000
Bank of Baroda (Secured)	388,442,263	-
Notes of Term Loans		
a) Security Coverage		
(Term Loans are Secured by first pari passu charge on the immovable assets and all intangible assets by way of mortgage/ hypothecation, and first charge on rights and interest in project, present and future 'and by way of pledge of shares by promoter Companies		
b) Repayment Terms		
Payable in 47 (Forty Seven) unequal quarterly instalments, repayment shall commence from September 30, 2013 and last installment due in December 31, 2024.		
Rate of interest @ 11.15%		
Maturity profile of Secured Loan		
Total Repayments(Rs in crores)		
Year	Amount (Rs. Crs.)	
2020-21	6.73	
2021-22	9.48	
2022-23	11.35	
2023-24	10.80	
2024-25	7.21	
Total	45.57	
Total	388,442,263	435,800,000



9 Deferred tax liabilities (Net)	31st March 2020	31st March 2019
	(Amount in INR)	(Amount in INR)
(I) Deferred Tax Liabilities		
Balance as per last balance sheet	37,737,451	37,737,451
Deferred tax charged during the year :		
Difference between book depreciation and tax depreciation during the year	-	-
On Property, plant and Equipments	37,737,451	37,737,451
Total	37,737,451	37,737,451

10 Provision - Non Current	31st March 2020	31st March 2019
	(Amount in INR)	(Amount in INR)
1) Resurfacing Expenses	49,225,239	23,814,967
Total	49,225,239	23,814,967

As per the service concession arrangement with MPRDC, the company is obligated to carry out resurfacing of the roads under concession. The company estimates the likely provision required towards resurfacing and accrues the costs on a straight line basis over the period at the end of the which resurfacing would be required, in the Statement of Profit and Loss in accordance with Ind AS 37 ' Provisions, Contingent Liabilities and Contingent Assets.

Movement

Opening	23,814,967	16,538,171
Addition	31,317,295	7,276,796
Expenses	(5,907,023)	-
Closing	49,225,239	23,814,967

11 Trade payables	31st March 2020	31st March 2019
	(Amount in INR)	(Amount in INR)
1) Payables -Others	193,920	224,000
Total	193,920	224,000

12 Other Financial Liability - Current	31st March 2020	31st March 2019
	(Amount in INR)	(Amount in INR)
1) Current Maturity of Non current borrowing	67,300,000	60,000,000
2) Employees and other Expenses Payable	601,202	631,769
Total	67,901,202	60,631,769

13 Other current liabilities	31st March 2020	31st March 2019
	(Amount in INR)	(Amount in INR)
1) Statutory Liability	31,217	73,212
2) User Fee Liability	282,701	288,393
3) Unsecured loan from related parties	31,113,055	32,383,262
Total	31,426,973	32,744,867



14 Revenue From Operation	31st March 2020	31st March 2019
	(Amount in INR)	(Amount in INR)
1) Annuity	99,400,000	99,400,000
2) Toll Collection	28,266,770	28,839,240
Total	127,666,770	128,239,240

15 Employee benefits expense	31st March 2020	31st March 2019
	(Amount in INR)	(Amount in INR)
1) Salaries & Wages	3,427,450	3,460,147
2) Contribution to Provident Fund	230,055	248,775
3) Others	118,838	111,680
Total	3,776,343	3,820,602

16 Finance costs	31st March 2020	31st March 2019
	(Amount in INR)	(Amount in INR)
1) Interest Expense - On Fixed Period Loan	57,589,650	63,912,109
Total	57,589,650	63,912,109

17 Other expenses	31st March 2020	31st March 2019
	(Amount in INR)	(Amount in INR)
1) Communication	22,702	21,550
2) Legal & Professional Fee	728,474	784,787
3) Misc Balance W/off	994,000	11,107,328
4) Postage & Telegram	1,532	780
5) Power & Fuel	804,460	853,404
6) Printing & Stationery	48,242	56,575
7) Rent, Rates & Taxes	426,442	111,407
9) Repair & Maintenance	3,096,284	2,400,471
10) Travelling & Conveyance	139,467	84,348
11) Payment to Auditors	182,000	766,750
12) Sundry Operational Expenses	518,571	306,668
13) User Fee to MPRDC	282,668	521,018
14) MMR Expenses	31,317,295	7,276,796
Total	38,563,037	23,791,327



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Note 18

Fair Value Measurement
Financial Instruments by category

Particulars	3/31/2020			3/31/2019		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Cash and Cash equivalents	-	-	56,686,444	-	-	47,809,049
Other financial assets	-	-	83,242	-	-	83,242
Total financial assets	-	-	56,769,686	-	-	47,892,291
Financial liabilities						
Borrowing			388,442,263			435,800,000
Trade payables			193,920			224,000
Other financial liabilities			67,901,202			60,631,769
Total financial liabilities	-	-	456,537,385	-	-	496,655,769

The carrying amounts of trade payables, cash and cash equivalents including other current bank balances and other liabilities including creditors, etc. are considered to be the same as their fair values, due to current and short term nature of such balances.
For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 19

Capital management

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Note 20

Financial risk management

The company activities exposes it to market risk, liquidity risk and credit risk.

This note explains the source of risk which the entity is exposed to and how the entity is manage the risk.

Risk	Exposure arising from	Measurement	
			Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Market risk - interest rate	Long-term borrowings at variable Rates	Sensitivity analysis	Actively Managed
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities



Market risk — interest rate risk

The Bank loans follows floating rates with resets confined under agreements. While interest rate fluctuations carry a risk on financials, the company earn toll income which is linked to WPI thus providing a natural hedge to the interest rate risk.

Sensitivity

Profit or loss is sensitive to higher/lower interest income from borrowings as a result of changes in interest rates.

Impact on profit/loss after tax	As at 31st March, 2020	As at 31st March, 2019
Interest rates (increase) by 1 basis points	-3,884,423	-4,358,000
Interest rates decrease by 1 basis points	3,884,423	4,358,000

Note 21 Financial risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The management monitors the Company's net liquidity position through forecasts on the basis of expected cash flows. The company is also taking steps to improve liquidity going forward by focusing on new initiatives taken recently.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2020 & March 31, 2019

Particulars	Carrying amount	Less than 12 months	More than 12 months
As at March 31, 2020			
Liabilities			
Borrowing	388,442,263		388,442,263
Trade payables	193,920	193,920	-
Other financial liabilities	67,901,202	67,901,202	-
Assets			
Cash and Cash equivalents	56,686,444	56,686,444	-
Other financial assets	83,242	83,242	-
As at March 31, 2019			
Liabilities			
Borrowing	435,800,000		435,800,000
Trade payables	224,000	224,000	-
Other financial liabilities	60,631,769	60,631,769	-
Assets			
Cash and Cash equivalents	47,809,049	47,809,049	-
Other financial assets	83,242	83,242	-



Valecha Badwani Sendhwa Tollways LimitedNotes on Accounts Forming Part of the Balance Sheet as at 31st March, 2020**NOTES TO THE FINANCIAL STATEMENTS****22. Employees' Retirement and other Benefits:**

As per management no liability for retirement benefit costs (Gratuity Provision) arises to the Company, as the employees work for short term basis on payroll, therefore compliances with the Ind AS – 19 on "Employees Benefits" is not applicable to the Company.

23. Related party Disclosure:

The Company has undertaken following transactions with the related parties in terms of Ind AS – 24 "Related Party Disclosure":

A) The name of related parties with the nature of relationship:

Promoters & Associates	Relationship
M/s.Valecha Infrastructures Ltd (VIL)	Holding Company
M/s.Artefact Infrastructure Limited (AIL)	Share holder holding 26% of Share capital
M/s.Valecha Engineering Limited (VEL)	Ultimate Holding Company
M/s Valecha LM Toll Private Limited	Fellow Subsidiary
M/s Valecha Kachchh Toll Roads Limited	Fellow Subsidiary

Key Management Personnel	Relationship
Mr. Santosh Kumar Patro	Director
Mr. Sandesh Manaji Dalvi	Director
Ms. Lalna Bharat Takekar	Director

i) Transaction with the Related Parties.

Nature of Transaction	Promoters & Associates	Balance O/S Amount (Rs.) (2019-20)	Balance O/S Amount (Rs.) (2018-19)
Unsecured Loan (Received)	M/s.ValechaEngineering Ltd (VEL)	Rs. 3,07,92,979/-	Rs. 3,21,90,592/-
Unsecured Loan (Paid)	M/s Valecha Infrastructure Limited (VIL)	Rs. 2,40,890/-	Rs. 2,32,890/-
Unsecured Loan (Received)	M/s Valecha Kachchh Toll Roads Limited	Rs. 3,20,076/-	Rs. 1,92,670/-
Loans & Advances (Paid)	M/s Valecha LM Toll Pvt Ltd	Rs. 83,242/-	Rs. 83,242/-
Equity Contribution	M/s Valecha Infrastructure Limited (VIL)	Rs. 3,70,00,000/-	Rs. 3,70,00,000/-
Equity Contribution	M/s.Artefact Infrastructure Limited (AIL)	Rs. 1,30,00,000/-	Rs. 1,30,00,000/-
Compulsory Convertible Debentures	M/s Valecha Infrastructure Limited (VIL)	Rs. 14,80,00,000/-	Rs. 14,80,00,000/-
Compulsory Convertible Debentures	M/s.Artefact Infrastructure Limited (AIL)	Rs. 5,20,00,000/-	Rs. 5,20,00,000/-



Valecha Badwani Sendhwa Tollways Limited

Notes on Accounts Forming Part of the Balance Sheet as at 31st March, 2020

24. Segment Reporting

The Company is a special purpose vehicle which has a single special purpose of development of Badwani _ Palsood – Sendhwa Road Section in the state of Madhya Pradesh on BOT basis; therefore the only segment of company as per Ind AS 108.

25. Earnings per Share (EPS):

(Amount in Rs.)

	31.03.2020	31.03.2019
Net Profit attributable to equity shareholders	(4,13,63,318)	(3,13,40,768)
Weighted average number of shares for Basic and Diluted EPS (Numbers)	50,00,000	50,00,000
Basic & Diluted Earnings Per share (Equity share of Rs. 10/- each)	(8.27)	(6.27)

26. Provision for Taxes:

Current Tax: The Provision for income tax is determined in accordance with the provisions of Income Tax Act 1961.

27. Deferred Tax Assets:

The Company on the basis of prudence has preferred not to recognize the deferred tax assets amounting to Rs. 75,00,746/-

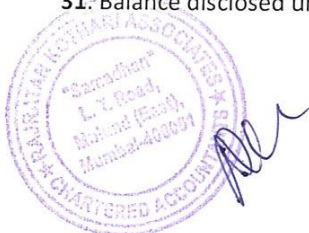
28. Auditors Remuneration (including taxes):

	(Amount in INR)	(Amount in INR)
Particulars	2019-20	2018-19
Statutory Audit	1,25,000	2,25,000
GST	22,500	40,500
Total	1,47,500	2,65,500

29. The Company has incurred substantial losses from its operations for the last few years which have eroded its net worth substantially. This raises doubt about its ability to continue as going concern. However, the management is of the opinion that on approval of Master Restructuring Agreement by the banks, increase in toll collection due to yearly rate revision and consistent growth in the traffic, the company will be able to return profitability over the next few years. Hence the financial statements have been prepared assuming that the company will continue as going concern. No adjustments are, hence, made in the financial statement that might result from the outcome of this uncertainty.

30. In the opinion of the management, the Current Assets, Loans and Advances and Current Liabilities are approximately of the value stated, if realised / paid in the ordinary course of business. The provision for all known liabilities is adequate and is not in excess of amounts considered reasonably necessary.

31. Balance disclosed under advances and creditors are subject to reconciliation.



Valecha Badwani Sendhwa Tollways Limited

Notes on Accounts Forming Part of the Balance Sheet as at 31st March, 2020


32. Contingent Liabilities:

There is no contingent Liabilities as on the date of balance sheet.

33. The previous year figures in balance sheet have been reworked, regrouped, rearranged, and reclassified wherever necessary.

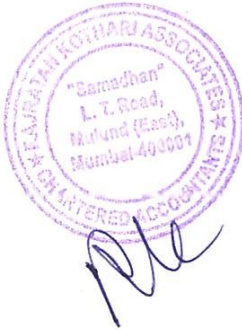
For and on behalf of the Board


Anil Sakharam Korpe
Director
(DIN : 07543339)


Santosh Kumar Patro
Director
(DIN : 07571177)



Place: Mumbai
Date: 26th Oct, 2020



Valecha Badwani Sendhwa Tollways Limited

Notes on Accounts Forming Part of the Balance Sheet as at 31st March, 2020

ANNEXURE I

A. BACKGROUND :

1. Corporate Information :

Valecha Badwani Sendhwa Tollways Limited (VBSTL) is a Company incorporated in India on 7th April 2011 with the registered office at Valecha chamber, 4th Floor, Andheri New Link Road, Andheri (W), Mumbai -400 053. VBSTL is a subsidiary Company of Valecha Infrastructure Limited which holds 74% of the equity share capital of the Company. The remaining 26% of the equity capital is held by Artefact Infrastructure Limited.

VBSTL has been set up to Design, Engineering, Construction, Development, Finance, Operation and maintenance, construction of Two/ Intermediate Laning Road of Badwani - Palsood - Sendhwa Road Section, in the state of Madhya Pradesh on Toll Plus Annuity basis.

The financial statements were authorized for issue by the Company's Board of Directors on 14th August, 2020 Pursuant to the provisions of section 130 of the Act.

2. Concession Arrangement entered into between VBSTL and MPRDC

The 'Concession Agreement' entered between Valecha - Badwani - Sendhwa Tollways Limited (VBSTL) and Madhya Pradesh Road Development Corporation (MPRDC), the government of Madhya Pradesh, conferred the right to the Company to implement the project and recover the project cost, through the Semi Annual Annuity of Rs 4.97 Crores and also through the levy of fees/toll revenue, with a designated rate of return over operation period after Commercial Operation Date, during 15 years of concession period commencing from the 4th October 2011, i.e. the date of financial closure.

3. Commencement of Commercial Operation

The Company has achieved its Commercial Operation Date "COD" and started its commercial operation of collection of user fee i.e. Toll Collection from 03rd July 2012.

B. SIGNIFICANT ACCOUNTING POLICIES :

1. Basis of preparation

These Financial Statements comply in all material aspects 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. These Financial Statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III of the Act, applicable Ind AS, other applicable pronouncements and regulations.

These Financial Statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at fair value.

These Financial Statements are presented in absolute Indian Rupee, except where otherwise indicated.

The financial statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III to the Act, applicable Ind AS, other applicable pronouncements and regulations.

2. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.



Valecha Badwani Sendhwa Tollways Limited

Notes on Accounts Forming Part of the Balance Sheet as at 31st March, 2020

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a Liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

3. Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional statements are presented in Indian Rupees (INR), which the company's functional and presentation currency.

4. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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



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

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

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

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

5. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, net of directly attributable transaction cost to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in following categories;

- at amortised cost
- at fair value through profit or loss (FVTPL)
- at fair value through other comprehensive income (FVTOCI)

Financial Assets at amortised cost

Financial assets are measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and



Valecha Badwani Sendhwa Tollways Limited

Notes on Accounts Forming Part of the Balance Sheet as at 31st March, 2020

- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. All the Loans and other receivables under financial assets (except Investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to loans and other receivables.

Financial Assets at Fair Value through Statement of Profit and Loss/Other Comprehensive Income

All investments in scope of Ind AS 109 are measured at fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income. There is no recycling of the amounts from Other Comprehensive Income (OCI) to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of the Company's similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The impairment methodology for each class of financial assets stated is as follows:



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Loans receivables measured at amortised cost: Loans receivables at amortised cost are generally short term in nature considered to be low risk, and thus the impairment provision is determined as 12 months expected credit losses.

Loans given to employees: For loans given to employees outstanding as on the reporting dates, the has determined reliably that assessing the probability of default at the initial recognition of each and every loan or receivable would result in undue cost and effort. As permitted by Ind AS 109, the credit provision will be determined based on whether credit risk is low only at each reporting date, until the loan is derecognized. Using the impairment methodology the Company has assessed that no loan loss allowance needs to be recorded in the books of accounts.

Expected credit loss ('ECL') impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortized cost and other contractual revenue receivables - ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of Profit and Loss, loans and borrowings, trade payables or other payables.

All financial liabilities are recognized initially at fair value.

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

Subsequent measurement

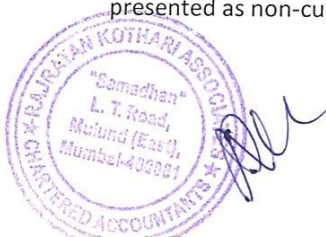
Financial liabilities at amortized cost: After initial measurement, such financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit and Loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. However, the Company has borrowings at floating rates. The impact of restatement of effective interest rate, year on year due to reset of interest rate, is not material. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the transaction cost amortization process.

Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.



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Notes on Accounts Forming Part of the Balance Sheet as at 31st March, 2020

Trade payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

Retention money payable

This is the category most relevant to the Company. Retention moneys are measured at Fair value initially. Subsequently, they are measured at amortised cost using the EIR (Effective interest rate) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

6. Revenue Recognition :

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for the Company's activities, as described below.

A. **Toll Collection:** Toll Revenue is recognised in respect of toll collected at the Toll plaza of the company at Badwani - Sendhwa on receipt basis.

B. **Interest Accrued on Deposit with Bank:** Income from Interest on deposits is recognized on time proportionate method.

C. **Others**

Insurance and other claims are recognized as revenue on certainty of receipt basis.

7. Property, plant and equipment

Property, plant and equipment are measured at cost of acquisition net of recoverable taxes less accumulated depreciation and impairment loss, if any. Cost includes expenses that is directly attributable to acquisition of the assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each



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reporting date and the cost of property, plant and equipment not ready for their intended use before such date are shown as Capital Work in Progress.

Depreciation on property, plant and equipment is provided on **straight line method** over the useful lives as specified in Part 'C' of Schedule II to the Companies Act, 2013, which is also estimated as useful lives by the management.

Intangible assets and Amortization

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Expenditure on an intangible item is expensed when incurred unless it forms part of the cost of intangible asset that meets the recognition criteria. Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization and impairment loss, if any.

Intangible assets comprising of software purchased and licensing cost are **amortized on straight line basis** over the useful life of the software up to a maximum period of 10 years.

8. Accounting of intangible assets under service concession arrangement

The Company has Toll Road Concession rights where it Builds, Operates and Transfers (BOT) infrastructure used to provide public service for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

These arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Company receives a right (a license) to charge users of the public service. The financial asset model is used when the Company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Company performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The intangible assets is measured at the fair value of consideration transferred to acquire asset, which is the fair value of consideration received or receivable for the construction services delivered.

Intangible assets model

Intangible assets arising out of service concession arrangements are accounted for as intangible assets where the Company has a contractual right to charge users of service when the projects are completed. The intangible assets is measured at the fair value of consideration transferred to acquire asset, which is the fair value of consideration received or receivable for the construction services delivered.

Amortization of concession intangible assets

The Intangible asset recognized are amortised over the concession period on proportionate basis.

Maintenance obligations

Contractual obligations to maintain, replace or restore the infrastructure (principally resurfacing costs and major repairs and unscheduled maintenance which are required to maintain the Infrastructure asset in operational condition except for any enhancement element) are recognized and measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date for which next resurfacing would be required as per the concession arrangement. The provision is discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.



9. Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

10. Taxes

Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities and assets are recognized for all taxable temporary differences.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.



Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

11. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

12. Contingent liabilities and contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The contingent liability is not recognised in the books of accounts but its existence is disclosed in the Financial Statements. A Contingent asset is not recognized in financial statements, however, the same are disclosed where an inflow of economic benefit is probable.

13. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

14. Employees' Benefits :

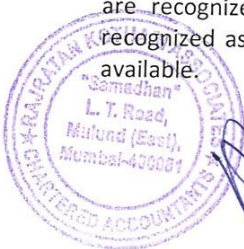
Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Post - employment obligations

A. Defined Contribution Plan:

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.



15. Segment Reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Chief operating decision maker's function is to allocate the resources of the entity and access the performance of the operating segment of the entity. The Board assesses the financial performance and position of the Company and makes strategic decisions. It is identified as being the chief operating decision maker for the company.

16. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are disclosed below.

Applicability of service concession arrangement accounting to toll roads concessionaire arrangements

The Company has determined that Appendix A of Ind AS 11 'Service concession arrangements' is applicable to the Company which provides on accounting by the operators for public-to-private service concession arrangements. The Company has entered into concession arrangement with MPRDC as per which the Company would participate in the Design, Build, Finance, Operate and Transfer (DBFOT) basis the toll roads infrastructure. After the end of the concession arrangement, the Company has to transfer the infrastructure i.e. toll roads constructed to MPRDC.

Income taxes

The Company has recognized deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences relating to the same taxation authority against which the unused tax losses can be utilized. However, the utilization of tax losses also depends on the ability of the Company to satisfy certain tests at the time the losses are recouped. Management has forecasted future taxable profits and has therefore recognized deferred tax assets in relation to tax losses.

Amortization of concession intangible assets

The Intangible asset recognized are amortised over the concession period on the basis of projected toll revenue which reflects the pattern in which the assets economic benefits are consumed. The projected total toll revenue is based on the independent traffic volume projections; Amortization is revised in case of any material change in the expected pattern of economic benefits.

Provision for resurfacing obligation (major maintenance expenditure)

The Company records the resurfacing obligation for its present obligation as per the concession arrangement to maintain the toll roads at every five years during the concession period. The provision is included in the Financial Statements at the present value of the expected future payments. The calculations to discount these amounts to their present value are based on the estimated timing of expenditure occurring on the roads.



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The discount rate used to value the resurfacing provision at its present value is determined through reference to the nature of provision and risk associated with the expenditure.

17. Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

For, Valecha Badwani Sendhwa Tollways Limited

AS

Anil Sakharam Korpe
Director
(DIN : 07543339)

Place: MUMBAI

Date: 26th Oct. 2020

Santosh K. Patro
Santosh Kumar Patro
Director
(DIN : 07571177)

