Valecha Badwani Sendhwa Tollways Limited

"Valecha Chambers",
4th Floor, Andheri New Link Road,
Andheri (West),
Mumbai – 400 053.

Annual Report

F Y: 2017-18

T R Chadha & Co LLP

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VALECHA BADWANI SENDHWA TOLL WAYS LIMITED

Report on the IndAS Financial Statements

We have audited the accompanying IndAS financial statements of **VALECHA BADWANI SENDHWA TOLL WAYS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and Statement of Change in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "IndAS financial statements).

Management's Responsibility for the IndAS 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 IndAS financial statements that give a true and fair view of the state of the affairs, profit, cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standard (IndAS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 IndAS 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 this IndAS financial statements based on 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 provision of the act and the rules made thereunder.

We conducted our audit of the IndAS 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

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the IndAS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the IndAS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the IndAS 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 IndAS 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 IndAS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IndAS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IndAS 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 including the IndAS, of the state of affairs of the Company as at March 31, 2018, and its loss, its cash flows and the change in equity for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the notes to financial statement:

Note 28 in Financial Statement indicate that the Company has incurred substantial losses from its operation during the current year and previous year which has eroded its net worth substantially. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statement of the Company has been prepared on a going concern basis for the reason stated in said note.

Note 29 in Financial Statement indicate that, balance of certain trade receivable and advances are subject to confirmation and reconciliation. However, the management does not expect any material variation affecting the current year's financial statement on account of such reconciliation / adjustments. Accordingly, no provision has been made in the financial statement.

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Other Matters

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these standalone IndAS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the other auditor, whose report for the year ended 31st March 2017 and 31st March 2016 dated 2nd December 2017 and 2nd December 2017 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the IndAS, which have been audited by us.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

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

2. 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, the Cash Flow Statement and the statement of change in equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid IndAS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder.

(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 B**".

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(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 does not have any pending litigations which would impact its financial position.

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

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

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Kashyap Vaidya
(Partner)
Membership No. 37623

Date: 10.07.2018
Place: Mumbai

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ANNEXURE-A

VALECHA BADWANI SENDHWA TOLL WAYS LIMITED
Annexure to Independent Auditors' Report for the period ended March 2018
(Referred to in Paragraph 1 under the Heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)

(i) Fixed Assets

a) The Company is maintaining proper records showing full particulars including quantitative details and situtation of its fixed assets.

b) As explanation and information given to us, the fixed assets have been physically verified by the management in phased manner, which in our opinion is reasonable having regard to the size & nature of the company. No material discrepancies were noted on such verification.

c) Title deeds of immovable assets held in the name the company.

(ii) Inventories

There were no inventory lying as on 31.03.2018, accordingly, the provisions of clause (ii) of the Order is not applicable to the company.

(iii) Loans given

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. Hence reporting under clause 3 (iii) (a), (b) and (c) does not arise.

(iv) Compliance of Sec. 185 & 186

The Company has not entered into any transaction in respect of loans, investments, guarantee and security which attracts compliance to provisions of section 185 & 186 of the Companies Act, 2013, therefore, paragraph 3 (iv) of the order is not applicable to the company.

(v) Public Deposit

During the year, the company has not accepted any deposits from the public, therefore, paragraph 3 (v) of the order is not applicable.

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(vi) Cost Records

In our openion and according to infomaiton and explanation given to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the 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 income-tax, Service tax and cess etc. *except in some cases there is delay in deposition of Provident fund during the year. Such delays are in range from 1 day to 20 days.* There are no undisputed dues payable, outstanding as on 31st March, 2018 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no amounts in respect of income tax, service tax etc. that have not been deposited with the appropriate authorities on account of any dispute.

(viii) Company has not defualted in repayment of loans or borrowing to financial institutions, banks, government or dues to debenture holders.

(ix) The Company has not raised money by way of initial public offer or further public offer (including debt instrument)- any term loans during the period under audit therefore, paragraph 3 (ix) of the order is not applicable to the company.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.

(xi) According to inforamtion and Explanation given to us, the company has not paid any managerial remmuneration, therefore, paragraph 3 (xi) of the order with regards to payment of managerial remuneration is not applicable to the company.

(xii) As explained, the company is not a Nidhi Company. Therefore paragraph 3 (xii) of the order is not applicable to the company.

(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 Companies Act, 2013 and the details

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have been disclosed in the financial statements etc., as required by the applicable accounting standards. *However, company has not complied with the provision of section 177 of Companies Act 2013.*

(xiv) Company has not made preferential allotment or privete placement of shares or fully or partially convertible debenture during the year under review. Therefore, clause (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. Therefore 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. Therefore paragraph 3 (xvi) of the order is not applicable to the company.

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Kashyap Vaidya
(Partner)
Membership No. 37623

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Date: 10.07.2018
Place: Mumbai

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ANNEXURE-B

THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF VALECHA BADWANI SENDHWA TOLL WAYS LIMITED

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 VALECHA BADWANI SENDHWA TOLL WAYS LIMITED ("the Company") as of 31 March, 2018 in conjunction with our audit of the IndAS 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

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procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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 31 March, 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 T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

T R Chadha & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Kashyap Vaidya
(Partner)
Membership No. 37623

Date: 10.07.2018
Place: Mumbai

Valecha Badwani Sendhwa Tollways Limited
Balance Sheet as at 31st March 2018

(Amount in INR)

Particulars	Note No.	As At 31st March, 2018	As At 31st March, 2017	As At 1st April, 2016
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	1	87,817	1,71,096	3,37,433
(b) Other Intangible assets	1	58,72,72,531	65,63,63,417	72,54,54,303
(c) Income Tax Assets	2	45,86,204	45,86,204	36,12,588
Current assets				
(a) Financial Assets				
(i) Cash and cash equivalents	3	2,81,53,056	22,46,592	18,65,828
(ii) Other financial assets	4	1,31,90,520	1,11,90,520	1,11,82,922
(b) Other current assets	5	36,875	59,896	2,04,687
Total Assets		**63,33,27,002**	**67,46,17,725**	**74,26,57,761**
EQUITY AND LIABILITIES				
(a) Equity Share capital	6	5,00,00,000	5,00,00,000	5,00,00,000
(b) Other Equity	7	(3,76,74,177)	(1,57,01,717)	1,27,81,956
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	8	49,57,00,000	53,29,00,000	55,21,19,679
(b) Deferred tax liabilities (Net)	9	3,77,37,451	4,21,94,715	4,66,74,857
(c) Provisions	10	1,65,38,172	1,22,50,498	94,52,544
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	11	3,28,53,670	3,32,83,999	3,33,78,432
(ii) Trade payables	12	2,83,943	5,58,990	3,63,990
(iii) Other Financial liability	13	3,78,19,500	1,90,66,772	3,77,95,274
(b) Other current liabilities	14	68,444	64,468	91,029
Total Equity and Liabilities		**63,33,27,002**	**67,46,17,725**	**74,26,57,761**

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No: 006711N/ N500028

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Kashyap Vaidya
Membership No.: 37623
Partner
Place : Mumbai.
Date : 10.07.2018

For and on behalf of the Board

VALECHA BADWANI SENDHWA TOLLWAYS LIMITED MUMBAI

Director

Director

Valecha Badwani Sendhwa Tollways Limited

Statement of Profit & Loss for the Year Ended on 31st March 2018

(Amount in INR)

	Particulars	Note No	As at 31st March, 2018	As at 31st March, 2017
I.	Revenue from operations	15	12,26,64,951	11,72,34,455
II.	Other income		-	88,061
III.	**Total Revenue (I + II)**		**12,26,64,951**	**11,73,22,516**
IV.	Expenses:			
	Employee benefits expense	16	34,39,004	33,98,650
	Finance costs	17	6,74,60,877	6,78,87,001
	Depreciation and amortization expense		6,91,74,165	6,92,57,223
	Other expenses	18	1,98,63,630	2,11,50,653
	Total expenses		**15,99,37,676**	**16,16,93,527**
V.	**Loss before exceptional and extraordinary items and tax (III-IV)**		**(3,72,72,725)**	**(4,43,71,011)**
VI.	Exceptional items		-	-
VII.	**Loss before extraordinary items and tax (V - VI)**		**(3,72,72,725)**	**(4,43,71,011)**
VIII.	Extraordinary Items		-	-
IX.	**Loss before tax (VII- VIII)**		**(3,72,72,725)**	**(4,43,71,011)**
X	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		**(44,57,264)**	**(44,80,142)**
XI	**Loss for the period**		**(3,28,15,461)**	**(3,98,90,869)**
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		**1,08,43,000**	**1,14,07,197**
	Total Comprehensive income for the period (XI + XII) (Comprising profit/loss and other comprehensive income for the period)		**(2,19,72,461)**	**(2,84,83,672)**
XIII	**Earnings per equity share:**			
	(1) Basic		(6.56)	(7.98)
	(2) Diluted		(6.56)	(7.98)

The notes form an integral part of these financial statements

As per our report of even date

For T R Chadha & Co LLP

Chartered Accountants

Firm Registration No: 006711N/ N500028

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Kashyap Vaidya

Membership No.: 37623

Partner

Place : Mumbai

Date : 10.07.2018

For and on behalf of the Board

Valecha Badwani Sendhwa Tollways Limited MUMBAI

Santosh Kr. Rai

Director

S. M. Dalvi

Director

Valecha Badwani Sendhwa tollways limited

Cash Flow Statement For The Year Ended On 31St March, 2018

(Amount in INR)

		As at 31st March, 2018	As at 31st March, 2017
A	**Cash flow from Operating Activity**		
	Loss Before Tax and Extraordinary Item	(3,72,72,725)	(4,43,71,011)
	Add / (Deduct) Adjustment for :		
	Depreciation	6,91,74,165	6,92,57,223
	Interest Received	-	(88,061)
	Operating Profit before working capital changes	**3,19,01,440**	**2,47,98,151**
	Other Financial assets	(20,00,000)	(7,598)
	Other current assets	23,021	1,44,791
	Income Tax assets	-	(9,73,616)
	Other current liabilities	3,976	(26,561)
	Other financial liability	52,728	(28,502)
	Long term Provision	42,87,674	27,97,953
	Short term borrowings	(4,30,329)	(94,433)
	Trade and other Payables	(2,75,047)	1,95,000
	Net Cash Flow from Operating Activity	**3,35,63,463**	**2,68,05,185**
B	**Cash Flow from Investing Activity**		
	Interest Received	-	88,061
	Net Cash flow From Investing Activity	-	**88,061**
C.	**Cash Flow from Financing Activities**		
	Increase in other equity	1,08,43,000	1,14,07,197
	Repayment Of Loan	(1,85,00,000)	(3,79,19,679)
	Net Cash From Financing Acitivities	**(76,57,000)**	**(2,65,12,482)**
	Net Increase / (Decrease) in Cash and Cash Equivalents	2,59,06,463	3,80,764
	Opening Balance of Cash and Cash Equivalents	**22,46,592**	**18,65,828**
	Closing Balance of Cash and Cash Equivalents	**2,81,53,056**	**22,46,592**

As per our report of even date
For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No: 006711N/ N500028

Kashyap Vaidya
Membership No.: 37623
Partner
Place : Mumbai.
Date : 10.07.2018

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board

VALECHA BADWANI SENDHWA TOLL WAYS LIMITED MUMBAI

Director *Director*

Valecha Badwani Sendhwa Tollways Limited

Statement of changes in equity

A. Equity Share Capital

Particulars	Amount
Balance as at April 1, 2016	5,00,00,000
Changes in equity share capital during the year	-
Balance as at March 31, 2017	5,00,00,000
Changes in equity share capital during the year	-
Balance as at March 31, 2018	5,00,00,000

B. Other Equity

	Reserves and Surplus			
Particulars	**Retained Earnings**	**Compulsory Convertible Debenture**	**Corporate Guarantee**	**Total**
Balance as at April 1, 2016	**(18,72,18,044)**	**20,00,00,000**	-	**1,27,81,956**
Profit for the year	(3,98,90,869)	-	-	(3,98,90,869)
Other comprehensive income	-	-	1,14,07,197	1,14,07,197
Balance as at March 31, 2017	**(22,71,08,914)**	**20,00,00,000**	**1,14,07,197**	**(1,57,01,717)**
Profit for the year	(3,28,15,461)	-	-	**(3,28,15,461)**
Other comprehensive income	-	-	1,08,43,000	**1,08,43,000**
Balance as at March 31, 2018	**(25,99,24,374)**	**20,00,00,000**	**2,22,50,197**	**(3,76,74,177)**

As per our report of even date
For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No: 006711N/ N500028

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Kashyap Vaidya
Membership No.: 37623
Partner
Place : Mumbai.
Date : 10.07.2018

For and on behalf of the Board

VALECHA BADWANI SENDHWA TOLLWAYS LIMITED MUMBAI

Director

Director

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2017

Note 1: Property, Plant and Equipment									
		Gross Block			Accumulated Depreciation			Net Block	
Details		Balance as at 1 April 2016	Additions/ (Disposals)	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation charge for the Period	Balance as at 31 March 2017	Balance as at 31 March 2017	Balance as at 1 April 2016
(I)	Tangible Assets								
	Furniture and Fixtures	58,810	-	58,810	21,224	6,264	27,488	31,322	37,586
	Vehicles	3,01,713	-	3,01,713	1,46,969	51,581	1,98,550	1,03,163	1,54,744
	Office Equipment	4,01,200	-	4,01,200	2,56,097	1,08,492	3,64,589	36,611	1,45,103
	Total	**7,61,723**	-	**7,61,723**	**4,24,290**	**1,66,337**	**5,90,627**	**1,71,096**	**3,37,433**
(II)	Intangible Assets								
	Concessionaire Right	98,45,45,126	-	98,45,45,126	25,90,90,823	6,90,90,886	32,81,81,709	65,63,63,417	72,54,54,303
	Total	**98,45,45,126**	-	**98,45,45,126**	**25,90,90,823**	**6,90,90,886**	**32,81,81,709**	**65,63,63,417**	**72,54,54,303**
(I)+(II)	**Total**	**98,53,06,849**	-	**98,53,06,849**	**25,95,15,113**	**6,92,57,223**	**32,87,72,336**	**65,65,34,513**	**72,57,91,736**

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2018

Note 1: Property, Plant and Equipment									
		Gross Block			Accumulated Depreciation			Net Block	
Details		Balance as at 1 April 2017	Additions/ (Disposals)	Balance as at 31 March 2018	Balance as at 1 April 2017	Depreciation charge for the Period	Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 1 April 2017
(I)	Tangible Assets								
	Furniture and Fixtures	58,810	-	58,810	27,488	6,264	33,752	25,058	31,322
	Vehicles	3,01,713	-	3,01,713	1,98,550	51,581	2,50,131	51,582	1,03,163
	Office Equipment	4,01,200	-	4,01,200	3,64,589	25,434	3,90,023	11,177	36,611
	Total	7,61,723	-	7,61,723	5,90,627	83,279	6,73,906	87,817	1,71,096
(II)	Intangible Assets								
	Concessionaire Right	98,45,45,126	0	98,45,45,126	32,81,81,709	6,90,90,886	39,72,72,595	58,72,72,531	65,63,63,417
	Total	98,45,45,126	0	98,45,45,126	32,81,81,709	6,90,90,886	39,72,72,595	58,72,72,531	65,63,63,417
(I)+(II)	Total	98,53,06,849	0	98,53,06,849	32,87,72,336	6,91,74,165	39,79,46,501	58,73,60,348	65,65,34,513

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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2018

Note 2: Income Tax Assets		31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
Advance income tax		45,86,204	45,86,204	36,12,588
	Total	**45,86,204**	**45,86,204**	**36,12,588**

Note 3: Cash and cash equivalents		31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
Cash on Hand		5,53,028	4,42,447	11,22,576
Balances with Banks in current account		2,76,00,028	18,04,145	7,43,252
	Total	**2,81,53,056**	**22,46,592**	**18,65,828**

Note 4: Other financials assets - Current		31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
Loans & Advances		83,242	83,242	75,644
Amount withheld by MPRDC		1,31,07,278	1,11,07,278	1,11,07,278
	Total	**1,31,90,520**	**1,11,90,520**	**1,11,82,922**

Note 5: Other current assets		31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
Preliminary Expenses		-	-	1,45,312
Prepaid Expenses		36,875	59,896	59,375
	Total	**36,875**	**59,896**	**2,04,687**

Note 6: Share capital			31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
(I) Authorised Share Capital					
50,00,000 Equity Shares of Rs 10 each			5,00,00,000	5,00,00,000	5,00,00,000
(II) Equity Shares - Issued, Subscribed and Paid up					
50,00,000 Equity Shares of Rs 10 each			5,00,00,000	5,00,00,000	5,00,00,000
		Total	**5,00,00,000**	**5,00,00,000**	**5,00,00,000**
(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 alloted as fully paid		5,00,00,000	5,00,00,000	5,00,00,000
Issued during the period-	Nil		-	-	
Oustanding at the end of the period-	50,00,000 Equity Shares of Rs 10.00 each alloted as fully paid		5,00,00,000	5,00,00,000	5,00,00,000

(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.

Note 7: Other Equity		31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
(I)	**Retained Earning**			
	Balance Brought Forward	(22,71,08,914)	(18,72,18,044)	(15,01,28,927)
	Provision for Resurfacing	-	-	(94,52,544)
	Surplus / (Deficit) in Statement of Profit & Loss during the Year	(3,28,15,461)	(3,98,90,869)	(2,76,36,573)
		(25,99,24,374)	(22,71,08,914)	(18,72,18,044)
(II)	**Transaction with owners in their capacity as owners**			
	Gaurantee fee	2,22,50,197	1,14,07,197	-
(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).	20,00,00,000	20,00,00,000	20,00,00,000
	1,48,00,000/- CCD of Rs. 10 each alloted to M/s Valecha Infrastructure Limited			
	52,00,000/- CCD of Rs. 10 each alloted to M/s Artefact Infrastructure Limited			
	Total	**(3,76,74,177)**	**(1,57,01,717)**	**1,27,81,956**

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Note 8:	Borrowings - Non Current	31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
(II)	**Term Loan**			
	Vijaya Bank (Secured)	49,57,00,000	53,29,00,000	55,21,19,679

Notes of Term Loans

a) **Security Coverage**

Term Loan with outstanding balance at Rs. 55,14,00,000 (March 2016 :Rs. 58,93,19,679) 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 @ 11.40%

Maturity profile of Secured Loan

Total Repayments(Rs in crores)

Year	Amount (Rs. Crs.)
2018-19	3.71
2019-20	5.96
2020-21	6.70
2022-23	11.35
2021-24	25.57
Total	53.29

	Total	49,57,00,000	53,29,00,000	55,21,19,679

Note 9:	Deferred tax liabilities (Net)	31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
(I)	**Deferred Tax Liabilities**			
	On Property, plant and Equipments	3,77,37,451	4,21,94,715	4,66,74,857
	Total	3,77,37,451	4,21,94,715	4,66,74,857

Note 10:	Provision - Non Current	31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
1)	Resurfacing Expenses	1,65,38,172	1,22,50,498	94,52,544
	Total	1,65,38,172	1,22,50,498	94,52,544

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	31-03-2018	31-03-2017	01-04-2016
Opening	1,22,50,498	94,52,544	-
Addition	42,87,674	27,97,953	94,52,544
Closing	**1,65,38,172**	**1,22,50,498**	**94,52,544**

Note 11:	Borrowings - Current	31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
	Unsecured			
1)	from related parties	3,28,53,670	3,32,83,999	3,33,78,432
	Total	3,28,53,670	3,32,83,999	3,33,78,432

Note 12:	Trade payables	31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
	Trade Payables			
1)	MSME	-	-	-
2)	Payables -Others	2,83,943	5,58,990	3,63,990
	Total	2,83,943	5,58,990	3,63,990

Note 13:	Other Financial Liability - Current	31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
1)	Current Maturity of Non current borrowing	3,72,00,000	1,85,00,000	3,72,00,000
3)	Employees and other Expenses Payable	6,19,500	5,66,772	5,95,274
	Total	3,78,19,500	1,90,66,772	3,77,95,274

Note 14:	Other current liabilities	31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
1)	Statutory Liability	68,444	64,468	91,029
	Total	68,444	64,468	91,029

Note 15:	Revenue From Operation		31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)
1)	Annuity		9,94,00,000	9,94,00,000
2)	Toll Collection		2,32,64,951	1,78,34,455
		Total	**12,26,64,951**	**11,72,34,455**

Note 16:	Employee benefits expense		31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)
1)	Salaries & Wages		31,17,122	30,62,321
2)	Contribution to Provident Fund		2,30,586	2,30,084
3)	Others		91,296	1,06,245
		Total	34,39,004	33,98,650

Note 17:	Finance costs		31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)
1)	Interest Expense - On Fixed Period Loan		6,74,60,877	6,78,87,001
2)	Other			
		Total	6,74,60,877	6,78,87,001

Note 18:	Other expenses		31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)
1)	Communication		21,076	30,124
2)	Corporate Guarantee Fee		1,08,43,000	1,14,07,197
3)	Legal & Professional Fee		6,40,727	5,81,923
4)	Postage & Telegram		540	870
5)	Power & Fuel		7,73,450	7,87,758
6)	Printing & Stationery		30,558	32,135
7)	Rent, Rates & Taxes		3,47,672	48,415
9)	Repair & Maintenance		19,62,044	35,56,797
10)	Travelling & Conveyance		73,993	1,42,075
11)	Payment to Auditors		2,85,335	2,58,750
12)	Sundry Operational Expenses		4,19,233	13,61,344
13)	User Fee to MPRDC		1,78,327	-
14)	MMR Provision		42,87,674	27,97,953
15)	Preliminary expenses written-off		-	1,45,312
		Total	1,98,63,630	2,11,50,653

VALECHA BADWANI SENDHWA TOLLWAYS LIMITED
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Note 19 Fair value Measurement

Financial Instruments by category

Particulars	31-03-2018			31-03-2017			01-04-2016		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets									
Cash and Cash equivalents	-	-	2,81,53,056	-	-	22,46,592	-	-	18,65,828
Other financial assets	-	-	1,31,90,520		-	1,11,90,520	-	-	1,11,82,922
Total financial assets	-	-	4,13,43,576	-	-	1,34,37,112	-	-	1,30,48,750
Financial liabilities									
Borrowing			52,85,53,670			56,61,83,999			58,54,98,111
Trade payables	-	-	2,83,943	-	-	5,58,990	-	-	3,63,990
Other financial liabilities	-	-	3,78,19,500	-	-	1,90,66,772	-	-	3,77,95,274
Total financial liabilities	-	-	56,66,57,113	-	-	58,58,09,761	-	-	62,36,57,375

The carrying amounts of trade payables, cash and cash equivalent including other current bank balance 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 20 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 21 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 defined under agreements. While interest rate fluctuations carry a risk on financials, the company earns 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, 2018	As at 31st March, 2017
Interest rates (increase) by 1 basis points	-49,57,000	-53,29,000
Interest rates decrease by 1 basis points	49,57,000	53,29,000

Note 22 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 audition, 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, 2018, March 31, 2017 and April 1, 2016

Particulars	Carrying amount	Less than 12 months	More than 12 months
As at March 31, 2018			
Liabilities			
Borrowing	52,85,53,670	3,28,53,670	49,57,00,000
Trade payables	2,83,943	2,83,943	-
Other financials liabilities	3,78,19,500	3,78,19,500	-
Assets			
Cash and Cash equivalents	2,81,53,056	2,81,53,056	-
Other financials assets	1,31,90,520	1,31,90,520	-
As at March 31, 2017			
Liabilities			
Borrowing	56,61,83,999	3,32,83,999	53,29,00,000
Trade payables	5,58,990	5,58,990	-
Other financials liabilities	1,90,66,772	1,90,66,772	-
Assets			
Cash and Cash equivalents	22,46,592	22,46,592	-
Other financials assets	1,11,90,520	1,11,90,520	-
As at April 01, 2016			
Liabilities			
Borrowing	58,54,98,111	3,33,78,432	55,21,19,679
Trade payables	3,63,990	3,63,990	-
Other financials liabilities	3,77,95,274	3,77,95,274	-
Assets			
Cash and Cash equivalents	18,65,828	18,65,828	-
Other financials assets	1,11,82,922	1,11,82,922	-

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SADWANI SENDHWA TOLLWAYS LIMITED MUMBAI

NOTES TO THE FINANCIAL STATEMENTS

24. 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.

25. 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

Key Management Personnel	Relationship
Mr. Santosh Kumar Patro	Director
Mr. Sandesh Manaji Dalvi	Director
Mr. Ketan Harshadrai Gandhi	Director

i) Transaction with the Related Parties. (FY 2016-17)

Nature of Transaction	Promoters & Associates	Balance Outstanding Amount (Rs.)
Unsecured Loan (Received)	M/s.ValechaEngineering Ltd (VEL)	Rs. 3,27,50,059/-
Unsecured Loan (Received)	M/s Valecha Infrastructure Limited (VIL)	Rs. 1,36,060/-
Unsecured Loan (Received)	M/s Valecha Kachchh Toll Roads Limited	Rs. 3,97,880/-
Loans & Advances (Paid)	M/s Valecha LM Toll Pvt Ltd	Rs. 83,242/-
Equity Contribution	M/s Valecha Infrastructure Limited (VIL)	Rs. 3,70,00,000/-
Equity Contribution	M/s.Artefact Infrastructure Limited (AIL)	Rs. 1,30,00,000/-
Compulsory Convertible Debentures	M/s Valecha Infrastructure Limited (VIL)	Rs. 14,80,00,000/-
Compulsory Convertible Debentures	M/s.Artefact Infrastructure Limited (AIL)	Rs. 5,20,00,000/-

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ii) Transaction with the Related Parties. (FY 2017-18)

Nature of Transaction	Promoters & Associates	Balance Outstanding Amount (Rs.)
Unsecured Loan (Received)	M/s.ValechaEngineering Ltd (VEL)	Rs. 3,27,58,369/-
Unsecured Loan (Received)	M/s Valecha Infrastructure Limited (VIL)	Rs. 2,18,530/-
Unsecured Loan (Received)	M/s Valecha Kachchh Toll Roads Limited	Rs. 3,13,831/-
Loans & Advances (Paid)	M/s Valecha LM Toll Pvt Ltd	Rs. 83,242/-
Equity Contribution	M/s Valecha Infrastructure Limited (VIL)	Rs. 3,70,00,000/-

VALECHA BADWANI SENDHWA TOLLWAYS LIMITED MUMBAI

Equity Contribution	M/s.Artefact Infrastructure Limited (AIL)	Rs. 1,30,00,000/-
Compulsory Convertible Debentures	M/s Valecha Infrastructure Limited (VIL)	Rs. 14,80,00,000/-
Compulsory Convertible Debentures	M/s.Artefact Infrastructure Limited (AIL)	Rs. 5,20,00,000/-

26. 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.

27. Earnings per Share (EPS):

(Amount in Rs.)

	31.03.2018	31.03.2017
Net Profit attributable to equity shareholders	(3,28,15,461)	(3,98,90,869)
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)	(6.56)	(7.98)

28. Provision for Taxes:

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

29. Auditors Remuneration (including taxes):

	(Amount in INR)	(Amount in INR)
Particulars	**2017-18**	**2016-17**
Statutory Audit	2,25,000	1,75,000
Service tax/GST	40,500	26,250
Total	**2,65,500**	**2,01,250**

30. 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.

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VALECHA BADWANI SENDHWA TOLLWAYS LIMITED MUMBAI

31. The Madhya Pradesh Road Development Corporation (MPRDC), on account of Negative scope of Work, has deducted an amount of Rs. 1.11 Crs from the second annuity paid in the month of July 2013. The said amount is being shown as Amount Withheld under Other Non-Current Asset. The Company is continuously following up with the MPRDC for the recovery of the same and in opinion of Management this amount is good and

recoverable. However, if failed to recover, as per the EPC Agreement the Company will recover 80% from the EPC contractor.

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

ECHA BADWANI SENDHWA TOLL WAYS LIMITED
MUMBAI

SantoshPatro	**SandeshDalvi**
Director	**Director**
DIN : 07571177	**DIN : 07571178**

Place: Mumbai
Date: 10.07.2018

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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 July 10, 2018 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.

Current versus non-current classification

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

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

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.

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

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

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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.

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.

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 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

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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.

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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.

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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.

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.

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