

# **Valecha Kachchh Toll Roads Limited**

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

## **Annual Report F.Y. 2018-19**

# T R Chadha & Co LLP

## Chartered Accountants

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### INDEPENDENT AUDITOR'S REPORT

#### To the Members of Valecha Kachchh Toll Roads Limited Report on the Audit of the Financial Statements

#### 1. Qualified Opinion

We have audited the accompanying financial statements of **Valecha Kachchh Toll Roads Limited ("the Company")**, which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, 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 31<sup>st</sup> March 2019, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### 2. Basis for Qualified Opinion

2.1 *The company continues to prepare its Financial Statements on going concern basis even though it has continued to incur significant losses during the current year and previous year and had continued defaulted in repayment of its financial obligation including interest and the construction is going at very slow pace for balance, which has resulted into increase in cost of project mainly due to interest during construction period. However, as advised, the project had been halted due to non-availability of land and environment issues and on 13.05.2015 the Company has received PCOD (provisional commercial operation date) of for section 1 for which revenue is being generated. PCOD for Section 2 is likely to be completed by December, 2019. The company has also put a claim of Rs. 866.25 Crores on GSRDC during the year and is hopeful for getting the same. We are unable to comment on the recoverability of the same including non -impairment of intangible asset and intangible assets under development.*

2.2 *We understand that the Lenders of the Company has appointed a forensic auditor to verify the matters with regard to the Company. However, it was explained that the scope of audit and report including draft report has not been shared with the Company and accordingly we are unable to comment on same including any adjustments arising out of the findings of the same.*



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