

Valecha Badwani Sendhwa Tollways 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 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 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 31st 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 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. 23 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.

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

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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

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influence the economic decisions of users taken on the basis of these financial statements.

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

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

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- c. 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 informations and according to the explanations given to us, no remuneration paid by the Company to its directors during the year.

Place: Mumbai
Date: 29.07.2019



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


Kashyap Vaidya
Partner
Membership No. 37623
UDIN: 19037623AAAABA9389

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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 2019, 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 31.03.2019, accordingly, the provisions of clause (ii) of the Order is not applicable to the company.

(iii) Loans given

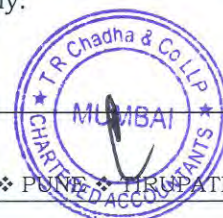
According to the information and explanations given to us, during the year, the Company has not granted any Secured or unsecured loan to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, reporting 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.



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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. There are no undisputed dues payable, outstanding as on 31st March, 2019 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no 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 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.

(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.*

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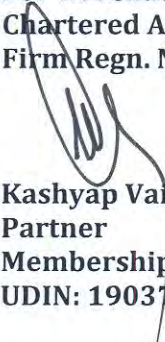


- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, reporting under paragraph 3(xiv) of the Order is not applicable to 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.



Place: Mumbai
Date: 29.07.2019

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


Kashyap Vaidya
Partner
Membership No. 37623
UDIN: 19037623AAAABA9389

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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, 2019 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, 2019, 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

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

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

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.

Place: Mumbai
Date: 29.07.2019



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


Kashyap Vaidya
Partner
Membership No. 37623
UDIN: 19037623AAAABA9389

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Valecha Badwani Sendhwa Tollways Limited
Balance Sheet as at 31st March 2019

Particulars	Note No.	As At 31st March, 2019	As At 31st March, 2018
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	1	45,440	87,817
(b) Other Intangible assets	1	51,81,81,645	58,72,72,531
(c) Income Tax Assets	2	55,80,204	45,86,204
Current assets			
(a) Financial Assets			
(i) Cash and cash equivalents	3	4,78,09,049	2,81,53,056
(ii) Other financial assets	4	83,242	1,31,90,520
(b) Other current assets	5	2,38,529	2,55,405
Total Assets		57,19,38,109	63,35,45,532
EQUITY AND LIABILITIES			
(a) Equity Share capital	6	5,00,00,000	5,00,00,000
(b) Other Equity	7	(6,90,14,945)	(3,76,74,177)
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	8	43,58,00,000	49,57,00,000
(b) Deferred tax liabilities (Net)	9	3,77,37,451	3,77,37,451
(c) Provisions	10	2,38,14,967	1,65,38,171
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	-	-
(ii) Trade payables	12	2,24,000	2,83,943
(iii) Other Financial liability	13	6,06,31,769	3,78,19,500
(iv) Short-term Provision		-	-
(b) Other current liabilities	14	3,27,44,867	3,31,40,644
Total Equity and Liabilities		57,19,38,109	63,35,45,532

As per our report of even date

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

Kashyap Vardya
Membership No.: 37623
Partner
Place : Mumbai
Date : 29-07-2019



For and on behalf of the Board



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

S. M. Dalvi
Sandesh Dalvi
(Director)
DIN : 07571178

Valecha Badwani Sendhwa Tollways Limited
Statement of Profit & Loss for the Year Ended on 31st March 2019

(Amount in INR)

Particulars	Note No	As at 31st March, 2019	As at 31st March, 2018
I. Revenue from operations	15	12,82,39,240	12,26,64,951
II. Other income		10,77,293	-
III. Total Revenue (I + II)		12,93,16,533	12,26,64,951
IV. Expenses:			
Employee benefits expense	16	38,20,602	34,39,004
Finance costs	17	6,39,12,109	6,74,60,877
Depreciation and amortization expense		6,91,33,263	6,91,74,165
Other expenses	18	2,37,91,327	1,98,63,629
Total expenses		16,06,57,301	15,99,37,675
V. Loss before exceptional and extraordinary items and tax (III-IV)		(3,13,40,768)	(3,72,72,724)
VI. Exceptional items		-	-
VII. Loss before extraordinary items and tax (V - VI)		(3,13,40,768)	(3,72,72,724)
VIII. Extraordinary Items		-	-
IX. Loss before tax (VII- VIII)		(3,13,40,768)	(3,72,72,724)
X Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	(44,57,264)
XI Loss for the period		(3,13,40,768)	(3,28,15,460)
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
Total Comprehensive income for the period (XI + XII) (Comprising profit/loss and other comprehensive income for the period)		(3,13,40,768)	(2,19,72,460)
XIII Earnings per equity share:			
(1) Basic		(6.27)	(6.56)
(2) Diluted		(6.27)	(6.56)

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

Kashyap Vaidya

Membership No.: 37623

Partner

Place : Mumbai

Date : 29.07.2019



For and on behalf of the Board

Santosh Kumar Patro *S. M. Dalvi*

Santosh Kumar Patro
(Director)
DIN : 07571177

Sandesh Dalvi
(Director)
DIN : 07571178

Valecha Badwani Sendhwa Toll Ways Limited

Cash Flow Statement For The Year Ended On 31st March, 2019

	As at 31st March, 2019	(Amount in INR) As at 31st March, 2018
A Cash flow from Operating Activity		
Loss Before Tax and Extraordinary Item	(3,13,40,768)	(3,72,72,724.45)
Add / (Deduct) Adjustment for :		
Depreciation	6,91,33,263	6,91,74,165.00
Interest Received	-	-
Operating Profit before working capital changes	3,77,92,495	3,19,01,440.55
Other Financial assets	1,31,07,278	(20,00,000.00)
Other current assets	16,876	23,021.00
Income Tax assets	(9,94,000)	-
Other current liabilities	(3,95,777)	3,976.00
Other financial liability	12,269	52,728.00
Long term Provision	72,76,796	42,87,674.14
Short term borrowings	-	(4,30,329.00)
Trade and other Payables	(59,943)	(2,75,047.00)
Net Cash Flow from Operating Activity	5,67,55,994	3,35,63,463.69
B Cash Flow from Investing Activity		
Interest Received	-	-
Net Cash flow From Investing Activity	-	-
C. Cash Flow from Financing Activities		
Increase in other equity	-	1,08,43,000.00
Repayment Of Loan	(3,71,00,000)	(1,85,00,000.00)
Net Cash From Financing Activities	(3,71,00,000)	(76,57,000.00)
Net Increase / (Decrease) in Cash and Cash Equivalents	1,96,55,994	2,59,06,463.69
Opening Balance of Cash and Cash Equivalents	2,81,53,056	22,46,592.00
Closing Balance of Cash and Cash Equivalents	4,78,09,049	2,81,53,055.69

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 : 29-07-2019



For and on behalf of the Board

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

Sandesh Dalvi
Sandesh Dalvi
(Director)
DIN : 07571178

Valecha Badwani Sendhwa Tollways Limited**Statement of changes in equity****A. Equity Share Capital**

Particulars	Amount
Balance as at April 1, 2018	5,00,00,000
Changes in equity share capital during the year	-
Balance as at March 31, 2019	5,00,00,000

B. Other Equity

Particulars	Reserves and Surplus			
	Compulsory Convertible			Total
	Retained Earnings	Debenture	Corporate Guarantee	
Balance as at March 31, 2018	(25,99,24,374)	20,00,00,000	2,22,50,197	(3,76,74,177)
Profit for the year	(3,13,40,768)	-	-	(3,13,40,768)
Other comprehensive income	-	-	-	-
Balance as at March 31, 2019	(29,12,65,142)	20,00,00,000	2,22,50,197	(6,90,14,945)

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 : 29.07.2019



For and on behalf of the Board

Santosh Kumar Patro
(Director)
DIN : 07571177

Sandesh Dalvi
(Director)
DIN : 07571178

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2019

1	:Property, Plant and Equipment		Gross Block		Accumulated Depreciation		Net Block	
	Details	Balance as at 1 April 2018	Additions/ (Disposals)	Balance as at 31 March 2019	Balance as at 1 April 2018	Depreciation charge for the Period	Balance as at 31 March 2019	Balance as at 1 April 2018
(I)	Tangible Assets							
	Furniture and Fixtures	58,810	-	58,810	33,752	5,881	19,177	25,058
	Vehicles	3,01,713	-	3,01,713	2,50,131	36,496	15,086	51,582
	Office Equipment	4,01,200	-	4,01,200	3,90,023	-	11,177	11,177
	Total	7,61,723	-	7,61,723	6,73,906	42,377	45,440	87,817
(II)	Intangible Assets							
	Concessionaire Right	98,45,45,126	-	98,45,45,126	39,72,72,595	6,90,90,886	51,81,81,645	58,72,72,531
	Total	98,45,45,126	-	98,45,45,126	39,72,72,595	6,90,90,886	51,81,81,645	58,72,72,531
(I)+(II)	Total	98,53,06,849	-	98,53,06,849	39,79,46,501	6,91,33,263	51,82,27,085	58,73,60,348



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2019

		31-03-2019 (Amount in INR)	31-03-2018 (Amount in INR)
2 Income Tax Assets			
Advance income tax		55,80,204.00	45,86,204
Total		55,80,204	45,86,204
3 Cash and cash equivalents			
Cash on Hand		4,69,805	5,53,028
Balances with Banks in current account		4,73,39,244	2,76,00,028
Total		4,78,09,049	2,81,53,056
4 Other financial assets - Current			
Loans & Advances		83,242.00	83,242
Amount withheld by MPRDC		-	1,31,07,278
Total		83,242	1,31,90,520
5 Other current assets			
Preliminary Expenses		-	-
Advances to related parties		2,32,890.00	2,18,530
Prepaid Expenses		5,639.00	36,875
Total		2,38,529	2,55,405
6 Share capital			
(I) Authorised Share Capital			
50,00,000 Equity Shares of Rs 10 each		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		5,00,00,000.00	5,00,00,000
Total		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 allotted as fully paid	5,00,00,000	5,00,00,000
Issued during the period-	Nil	-	-
Outstanding at the end of the period-	50,00,000 Equity Shares of Rs 10.00 each allotted as fully paid	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.			
7 Other Equity			
(I) Retained Earning			
Balance Brought Forward		(25,99,24,374)	(22,71,08,913.69)
Provision for Resurfacing		-	-
Surplus / (Deficit) in Statement of Profit & Loss during the Year		(3,13,40,768)	(3,28,15,460.45)
		(29,12,65,142)	(25,99,24,374.14)
(II) Transaction with owners in their capacity as owners			
Gaurantee fee		2,22,50,197	2,22,50,197.00
(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	20,00,00,000.00
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		(6,90,14,945)	(3,76,74,177.14)



8 Borrowings - Non Current		31-03-2019 (Amount in INR)	31-03-2018 (Amount in INR)
(II)	Term Loan Vijaya Bank (Secured)	43,58,00,000.00	49,57,00,000
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 @ 11.40%			
Maturity profile of Secured Loan Total Repayments(Rs in crores)			
Year	Amount (Rs. Crs.)		
2019-20	6.00		
2020-21	6.70		
2022-23	11.35		
2021-24	25.53		
Total	49.58		
Total		43,58,00,000	49,57,00,000

9 Deferred tax liabilities (Net)		31-03-2019 (Amount in INR)	31-03-2018 (Amount in INR)
(I)	Deferred Tax Liabilities Balance as per last balance sheet	3,77,37,451.00	4,21,94,715
	Deferred tax charged during the year : Difference between book depreciation and tax depreciation during the year On Property, plant and Equipments	-	(44,57,264)
Total		3,77,37,451	3,77,37,451

10 Provision - Non Current		31-03-2019 (Amount in INR)	31-03-2018 (Amount in INR)
1)	Resurfacing Expenses	2,38,14,967	1,65,38,171
Total		2,38,14,967	1,65,38,171
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	1,65,38,172	1,22,50,498
	Addition	72,76,796	42,87,674
	Closing	2,38,14,968	1,65,38,172

11 Borrowings - Current		31-03-2019 (Amount in INR)	31-03-2018 (Amount in INR)
1)	Unsecured from related parties	-	-
Total		-	-

12 Trade payables		31-03-2019 (Amount in INR)	31-03-2018 (Amount in INR)
1)	Trade Payables MSME	-	-
2)	Payables -Others	2,24,000	2,83,943
Total		2,24,000	2,83,943

13 Other Financial Liability - Current		31-03-2019 (Amount in INR)	31-03-2018 (Amount in INR)
1)	Current Maturity of Non current borrowing	6,00,00,000	3,72,00,000
2)	Employees and other Expenses Payable	6,31,769	6,19,500
Total		6,06,31,769	3,78,19,500

14 Other current liabilities		31-03-2019 (Amount in INR)	31-03-2018 (Amount in INR)
1)	Statutory Liability	73,212	68,444
2)	User Fee Liability	2,88,393	-
3)	Unsecured loan from related parties	3,23,83,262	3,30,72,200
Total		3,27,44,867	3,31,40,644

15 Revenue From Operation		31-03-2019 (Amount in INR)	31-03-2018 (Amount in INR)
1)	Annuity	9,94,00,000	9,94,00,000
2)	Toll Collection	2,88,39,240	2,32,64,951
Total		12,82,39,240	12,26,64,951



16 Employee benefits expense		31-03-2019 (Amount in INR)	31-03-2018 (Amount in INR)
1)	Salaries & Wages	34,60,147	31,17,122
2)	Contribution to Provident Fund	2,48,775	2,30,586
3)	Others	1,11,680	91,296
Total		38,20,602	34,39,004
17 Finance costs		31-03-2019 (Amount in INR)	31-03-2018 (Amount in INR)
1)	Interest Expense - On Fixed Period Loan	6,39,12,109	6,74,60,877
2)	Other		
Total		6,39,12,109	6,74,60,877
18 Other expenses		31-03-2019 (Amount in INR)	31-03-2018 (Amount in INR)
1)	Communication	21,550	21,076
2)	Corporate Guarantee Fee (Ind AS)	-	1,08,43,000
3)	Legal & Professional Fee	7,84,787	6,40,727
4)	Misc Balance W/off	1,11,07,328	-
5)	Postage & Telegram	780	540
6)	Power & Fuel	8,53,404	7,73,450
7)	Printing & Stationery	56,525	30,558
9)	Rent, Rates & Taxes	1,11,402	3,47,672
10)	Repair & Maintenance	24,00,471	19,62,044
11)	Travelling & Conveyance	84,348	73,993
12)	Payment to Auditors	2,66,250	2,85,335
13)	Sundry Operational Expenses	3,06,668	4,19,233
14)	User Fee to MPRDC	5,21,018	1,78,327
14)	MMR Provision	72,76,796	42,87,674
Total		2,37,91,327	1,98,63,629



Note 19 Fair value Measurement
Financial Instruments by category

Particulars	31-03-2019			31-03-2018		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Cash and Cash equivalents	-	-	4,78,09,049	-	-	2,81,53,056
Other financial assets	-	-	83,242	-	-	1,31,90,520
Total financial assets	-	-	4,78,92,291	-	-	4,13,43,576
Financial liabilities						
Borrowing			43,58,00,000			49,57,00,000
Trade payables			2,24,000	-	-	2,83,943
Other financial liabilities			6,06,31,769			3,78,19,500
Total financial liabilities	-	-	49,66,55,769	-	-	53,38,03,443

The carrying amounts of trade payables, cash and cash equivalent 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 20 Capital management

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.

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

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 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, 2019	As at 31st March, 2018
Interest rates (increase) by 1 basis points	-43,58,000	-49,57,000
Interest rates decrease by 1 basis points	43,58,000	49,57,000

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 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, 2018, March 31, 2017 and April 1, 2016

Particulars	Carrying amount	Less than 12 months	More than 12 months
As at March 31, 2019			
Liabilities			
Borrowing	43,58,00,000	-	43,58,00,000
Trade payables	2,24,000	2,24,000	-
Other financial liabilities	6,06,31,769	6,06,31,769	-
Assets			
Cash and Cash equivalents	4,78,09,049	4,78,09,049	-
Other financial assets	83,242	83,242	-
As at March 31, 2018			
Liabilities			
Borrowing	49,57,00,000	-	49,57,00,000
Trade payables	2,83,943	2,83,943	-
Other financial liabilities	3,78,19,500	3,78,19,500	-
Assets			
Cash and Cash equivalents	2,81,53,056	2,81,53,056	-
Other financial assets	1,31,90,520	1,31,90,520	-



VALECHA BADWANI SENDHWA TOLL WAYS LIMITED

(CIN : U45203MH2011PLC215905)

Regd. Office: Valecha Chambers, 4th Floor, Plot No. B-6,

New Link Road, Andheri (W), Mumbai – 400 053

Tel. +91-22-26733625-29, Fax : +91-22-26733945

Date: 29th July, 2019

**M/s T R Chadha and Co LLP,
Chartered Accountants**

502, Marathon Icon,
Off. Ganpatrao Kadam Marg,
Veer Santaji Marg,
Lower Parel, Mumbai – 400 013

Dear Sir(s),

Re: Statutory Audit as per Indian GAAP (IndAS) for the year ended March 2019

In connection with your audit of the financial statements of Valecha Badwani Sendhwa Tollways Limited for the year ended March 31, 2019, we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (IndAS) specified under Section 133 of the Company's Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. We acknowledge our responsibility for preparation of financial statements in accordance with the requirements of the Companies Act, 2013 including applicable Indian Accounting Standards referred to in Section 133 of the Act, other relevant acts and recognized accounting policies and practices as per Indian Generally accepted accounting principles (Indian GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

The Company has been awarded to carry on the business of 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 Concession Agreement dated April 13, 2011 with Madhya Pradesh Road Development Corporation Limited. 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.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief:



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1. Management's responsibilities

We recognize that, as members of management of the Company, we are responsible for the fair presentation of its financial statements as per Indian Accounting Standard (IndAS). Being first year of IndAS financials, we have fulfilled our responsibilities for the preparation and presentation of the financial statements of financial position, results of operations and cash flows, as set out in the terms of audit engagement and, in particular, the financial statements are fairly presented in conformity with First time adoption and IndAS. We also believe that we have made all the required disclosures in Notes to the Financial Statements. We have made available to your representatives all financial records and related data.

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

The financial statements are free of material misstatements, including omissions. The operations have been conducted based on the delegation of power as approved by the Board of Directors.

All the money received / paid has been recorded during the course of the business and no amount is left unrecorded or is wrongly entered.

2. Unrecorded audit differences

There are no unrecorded audit differences (including the effects of correcting or reversing prior year audit differences) relating to the current year financial statements.

3. Minutes and contracts

We have shown you all minutes of the meetings of shareholders and directors for the year ended March 2019 or summaries of actions of recent meetings for which minutes have not yet been prepared. We also have made available to you all significant contracts and agreements and have communicated to you all significant oral agreements. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. We confirm that there are no minutes or agreements other than as shown / provided to you.

4. Internal control

There are no transactions of a material nature, individually or in the aggregate, that have not been properly recorded in the accounting records underlying the financial statements.

There have been no significant changes in internal control since March 31, 2018.

5. Risks and uncertainties

There are no risks and uncertainties related to significant estimates and current vulnerabilities due to material concentrations that have not been disclosed.



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6. Ownership and pledging of assets

The Company has satisfactory title to all assets appearing in the balance sheet. No security agreements have been executed and there are no liens or encumbrances on assets, nor has any asset been pledged except as disclosed in the financial statements. All assets to which the Company has satisfactory title appear in the balance sheets.

The Company maintains the fixed assets register detailing all the assets as required. As per the policy, the company has conducted the physical verification of its fixed assets and no major deviation has been found between book record and physical record.

7. Subordinate Debt

The company has availed a subordinate debt aggregating to Rs. 323.83 Lakhs as on 31st March 2019, from its holding company. The repayment of the same is based on the available cash flow after repayment of the entire secured loans to lenders and carries nil rate of interest.

8. Current Assets and Liabilities

The carrying amounts reported in the balance sheets for Cash and Bank Balances, Inventories, Accounts receivable, Current Loans and Advances, Accounts payable and accrued liabilities, Employee related payables and Other Short term liabilities is equivalent to their realizable value.

9. Investments

We have no investments in any of the companies including affiliates except stated in the financial statement. The Company has clear title to all its investments. There are no charges against the investments of the Company.

10. Intangible assets

There are no intangible assets as on the date of balance sheet except which has been stated in the financial statement.

11. Intangible assets under development

There is no intangible asset under development as on March 31, 2019.

12. Related party transactions

Transactions and relations with related parties, as defined in AS 18, amounts receivable or payable, including providing / receiving services, sales, purchases, loans, transfers, leasing arrangements and guarantees, etc. have been properly recorded and disclosed in the financial statements and are entered at arm's length.

The disclosures made in the financial statements are adequate having regard to the framework under which the financial statements have been drawn. We also confirm the completeness of the information provided regarding the identification of related parties.



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The list of related parties is as given below:

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

13. *Contingent liabilities*

There are no unasserted claims or assessments, including those our lawyers have advised us of, which are probable of assertion and must be disclosed other than those disclosed in the financial statements.

There have been no violations or possible violations of laws or regulations in any jurisdiction whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency other than those disclosed or accrued in the financial statements.

There have been no internal investigations or communications from regulatory agencies or government representatives concerning investigations or allegations of noncompliance with laws or regulations in any jurisdiction, noncompliance with or deficiencies in financial reporting practices, or other matters that could have a material effect on the financial statements.

There are no other liabilities or gain or loss contingencies considered material, individually or in the aggregate, that are required to be accrued other than those accrued or disclosed in the financial statements, nor are there any accruals for loss contingencies included in the balance sheets.

14. *Oral or written guarantees*

There are no oral or written guarantees other than those reported in the financial statements, including guarantees of the debt of others.

15. *Commitments*

At March 31, 2019, the Company had no commitments, other than those reflected in financial statements.

16. *Fraud*

We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees where the fraud could have a material effect on the financial statements. We have disclosed to you all allegations of financial improprieties,



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including fraud or suspected fraud, coming to our attention (regardless of the source or form and including, without limitation, allegations by "whistle-blowers") where such allegations could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Company.

17. Independence and conflicts of interest

Based on inquiries we have made of our officers, directors and substantial stockholders, we are not aware of any business relationship between any such officer, director or substantial stockholder (or any entity for or of which such an officer or director acts in a similar capacity) and T R Chadha & Co LLP.

We are not aware of any reason that T R Chadha & Co LLP would not be considered to be independent for purposes of the Company's audit.

There are no instances where any officer or employee of the Company has an interest in a company with which the Company does business that would be considered a "conflict of interest." Such an interest would be contrary to Company policy.

18. Retirement 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

19. Derivative Contracts

We confirm that there are no agreements that are binding in nature and resulting in identification of embedded derivatives.

20. Tax planning strategies

We have disclosed to you all significant tax planning strategies that were put in place during the current year or prior years that could materially affect the current year provision for income taxes, or the recorded amount of tax assets or liabilities.

21. Tax accounting methods

We recognize that we are responsible for the Company's compliance with tax laws and regulations that are applicable to it. We have identified and disclosed to your representatives all significant methods of accounting used under the applicable jurisdictional tax laws and regulations that materially affect the determination of financial statement amounts. The tax provision has been made considering the deduction available under section 80 IA/IB.

22. Subsequent events

Subsequent to March 31, 2019, no events or transactions have occurred or are pending, other than those disclosed in the notes to the financial statements, that would have a material effect on the financial statements at that date or for the period then ended, or that are of such significance in relation to the Company's affairs to require mention in a note to the financial statements in order to make them not misleading regarding the financial position, results of operations or cash flows of the Company.



VALECHA BADWANI SENDHWA TOLL WAYS LIMITED

(CIN : U45203MH2011PLC215905)

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23. Accounting policies

The accounting policies which are material or critical in determining the results of operations for the year or financial position are set out in the financial statements and are consistent. The accounting policies are drawn up in accordance with the generally accepted accounting policies in India.

24. Liabilities & provisions

We have accounted all known liabilities in the financial statements. However, in respect of accounts payables the company is in the process of obtaining confirmation / reconciliation from the parties.

Provision has been made in the accounts for all known losses and claims of material amounts.

25. Cash & Bank Balances

The cash & Bank balance of the company as at 31.03.2019 was Rs. 478.09 Lakh. All the bank accounts have been reconciled at the year end and entries are properly recorded. All the cheques deposited in the banks and outstanding as on March 31, 2019 were duly cleared subsequently.

26. Revenue on Toll Collection

The toll collection from users of facility is accounted for as and when the amount is due and recovery is certain. The company has proper internal control system for recognition of toll revenue.

27. Others

- The company has not granted, secured or unsecured loans to companies, firms and other companies, or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.
- During the financial year 2018-19, the company has not accepted any public deposits.
- The company has not defaulted in repayment of dues to any financial institutions or bank.
- The company has not defaulted in payment of deposit, loan and interest thereon and accordingly the directors of the company are not restricted from being appointed as a director in terms of sub-section (2) of section 164 of the Company's Act.
- No expenses of personal nature (other than those payable under contractual obligations or in accordance with generally accepted business practice) and / or not related to the Company's business have been charged to the Company's accounts.
- There are no undisputed amounts payable in respect of Wealth tax, Service tax, Interest tax, Sales tax, Customs duty, Excise duty and Cess outstanding as at the year end for a period of more than 6 months from the date they became payable during the year. There are no disputed / contingent liabilities against income tax / sales tax / wealth tax / service tax / customs duty / Excise Duty / GST/ cess other than those which are stated in notes to accounts.



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- All legal requirements regarding agreements relating to the Rent, Security, deposits, Lease and hire purchase have been complied with.
- The maintenance of cost records is not applicable as prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013.
- The financial statements and appended notes thereto, include all material disclosures necessary for these accounts to show a true and fair view of the state of affairs and the results of operations of the Company and disclosures required to be made therein under the Companies Act, 2013 / respective accounting standards and are free of material misstatements, including omissions.
- All events subsequent to the Balance Sheet date have been fully considered in preparing the accounts and no other matter has come to our attention up to the time of signing this letter which would materially affect the accounts and the related disclosures for the year ended 31.03.2019.
- We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
- There are no contracts or arrangements entered during the year which needs to be entered in the register required to be maintained under Section 189 of the Companies Act, 2013.
- No director of the Company is holding any office or place of profit, without the consent of the Company accorded by a special resolution. Also, no partner or relative of such director, no firm in which such director, or a relative of such director, is a partner, no private company of which such director is a director or member, and no director or manager of such a private company, is holding any office or place of profit.
- There are no Micro and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
- The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- Loans and advances made by the Company have not been shown as deposits.
- The Company is regular in depositing provident fund dues with the appropriate authorities. The employees of the Company are not covered under Employees State Insurance Scheme.
- None of the directors is disqualified as on 31.03.2019 from being appointed as director in terms of sub section (2) of section 164 of the companies Act, 2013.
- There were no pending litigations which would impact the financial position of the company.
- The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.



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- 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 same is written off with approval of management in 2018-19.
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- The company is not a Nidhi Company
- 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
- Fixed assets have been physically verified by the management in phased manner. No material discrepancies were noted on such verification.
- Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- The company has not entered into any non-cash transaction with directors or persons connected with him.
- Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- Further we confirm that we have complied with all relevant guidelines/notifications issued by Reserve Bank of India from time to time in respect of holding and dealing with Specified Bank Notes, and that the company had proper controls, system and procedures in place for such compliances.
- The company has designed, implemented and maintained the 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.
- The company has not carried out the internal audit during the year 2018-19.
- During the year Gratuity Provision for employee working for more than 5 years has not been made in books and also no actuarial valuation was carried out in these regards.
- On verification of petty cash vouchers, we have observed that during the years "Tractor hiring charges" & "JCB hire charges" paid Rs. Rs. 4,91,262/- for each transaction below 10,000/- for different persons. Further, many payment voucher (we have verified 55 voucher) where no revenue stamp affixed.
- TDS Receivables on Annuity & Int. on FD: On ledgers scrutiny we have observed that TDS receivables from MPRDC-annuity and int. on FD of Rs. 0.55 Crore (During Dec'11 to Mar'19) and 0.05 Crore (Since 2015) respectively. We have not been provided assessment year wise details for the same.



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- Other Deduction from MPRDC Payable to VEL (Rs. 4.16 Lakh): Amount received from MPRDC and Payable to VEL for Utility shift work done in past years. Justification was yet to be received from management.
- Adequate insurance coverage of risk for toll road project is not obtained.

We do hereby also certify that all the conditions of the concessionaire agreement with MPRDC are being fulfilled by the company and there is no dispute with MPRDC which can affect the financial position of the Company.

We understand that your audits were conducted in accordance with the Indian generally accepted auditing standards and were, therefore, designed primarily for the purpose of expressing an opinion on the financial statements of the Company taken as a whole, and that your tests of the accounting records and other auditing procedures were limited to those that you considered necessary for that purpose.

Very truly yours,

For, Valecha Badwani Sendhwa Tollways Limited

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



S. M. Dalvi
Sandesh Dalvi
Director
(DIN : 07571178)