Valecha Kachchh Toll Roads Limited

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

Annual Report

F.Y. 2017-18

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email:mumbai@trchadha.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VALECHA KACHCHH TOLL ROADS LIMITED

Report on the IndAS Financial Statements

We have audited the accompanying IndAS financial statements of **VALECHA KACHCHH TOLL ROADS 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.

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai - 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email:mumbai@trchadha.com

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 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 Note No. 24 to the financial statements which describes the company has incurred losses of Rs 150.88 crores during the year, due to said project had been halted till December'17 due to non-availability of land and environment issues which resulted in non-availability of funds. However, management believes that the above circumstances are only temporary in nature and going forward the project will achieve its targeted project estimates. Further, balance work now started in month of Janaay'18 and GSRDC has infused Rs. 74 Crores to complete the same.

T R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email:mumbai@trchadha.com

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 us, whose report for the year ended 31st March 2017 and 31st March 2016 dated 4th September 2017 and 14th May 2016 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**".

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai - 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email:mumbai@trchadha.com

(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

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email:mumbai@trchadha.com

ANNEXURE-A

VALECHA KACHCHH TOLL ROADS 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.

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email:mumbai@trchadha.com

(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, for the services provided by the company.

(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 TDS liability during the year. Such delays are in range from 1 days to 41 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) *The company has defaulted in repayment of dues to banks.*

In our opinion and according to the information and explanations furnished to us by the Company the following default existed in the repayment of the due to the financial institutions and Banks at the date of the balance sheet.

Particular	***Principal Default amount Rs.***	***Interest Outstanding Rs.***	***Period of Default***
Canara Bank	*4,00,00,000*	*80,73,31,224*	*Principal is payable since June 2016 and interest is payable since February 2016.*
	4,52,00,000	*5,80,27,825*	
Total A	***8,52,00,000***	***86,53,59,049***	
Indian Overseas Bank	*2,66,00,000*	*42,53,99,495*	*Principal is payable since June 2016 and interest is payable since February 2016.*
	3,46,00,000	*1,90,98,795*	
Total B	***6,12,00,000***	***44,44,98,290***	
Total (A+B)	***14,64,00,000***	***1,30,98,57,339***	

(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.

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email:mumbai@trchadha.com

(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 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

T R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Kashyap Vaidya
(Partner)
Membership No. 37623

Date:10.07.2018
Place: Mumbai

We have audited the internal financial controls over financial reporting VALECHA KACHCHH TOLL ROADS 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 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.

T R Chadha & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email:mumbai@trchadha.com

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 Kachchh Toll Raods 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	3	24,86,422	99,44,437	1,75,67,735
(b) Other Intangible assets	3	1,54,28,11,625	2,29,45,89,423	2,45,39,14,837
(c) Intangible assets under development	3A	1,84,90,86,547	1,73,90,93,298	1,73,90,93,298
(d) Other non-current assets	4	50,000	55,350	55,350
Current assets				
(a) Financial Assets				
(i) Cash and cash equivalents	5	2,10,509	5,20,979	3,85,665
(ii) Bank balances other than (i) above	5	69,92,547	79,58,768	4,58,22,335
(iii) Loans	6	41,21,62,195	39,11,48,637	37,62,81,238
(b) Current Tax Assets (Net)	7	1,41,866	2,17,559	7,14,336
(c) Other current assets	8	1,06,79,345	95,49,391	1,45,67,866
Total Assets		**3,82,46,21,056**	**4,45,30,77,842**	**4,64,84,02,661**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share capital	9	68,50,00,000	68,50,00,000	68,50,00,000
(b) Other Equity	10	(2,78,34,45,014)	(1,34,97,51,857)	(58,61,94,150)
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	11	3,41,83,00,000	3,60,68,00,000	3,69,65,00,000
(b) Provisions	12	16,67,54,401	9,59,41,585	6,64,79,439
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	65,00,19,606	58,45,00,000	57,45,00,000
(ii) Trade payables	14	4,18,24,729	3,75,32,858	3,79,16,169
(iii) Other financial liabilities	15	1,64,58,84,620	79,28,05,542	16,69,21,912
(b) Other current liabilities	16	2,82,715	2,49,715	72,79,292
Total Equity and Liabilities		**3,82,46,21,056**	**4,45,30,77,842**	**4,64,84,02,661**

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 : 10th July, 2018

T R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board

VALECHA KACHCHH TOLL ROADS LIMITED

Director

Director

Valecha Kachchh Toll roads 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		5,97,34,198	5,21,53,758
II.	Other income		29,22,577	1,95,177
III.	**Total Revenue (I + II)**		**6,26,56,775**	**5,23,48,935**
IV.	Expenses:			
	Employee benefits expense	17	12,76,030	11,74,935
	Finance costs	18	63,48,86,449	58,25,84,398
	Depreciation and amortization expense		16,69,92,269	16,69,48,712
	Impairment of assets		59,35,12,063	-
	Other expenses	19	17,47,47,122	14,02,62,597
	Total expenses		**1,57,14,13,932**	**89,09,70,642**
V.	**Loss before exceptional and extraordinary items and tax (III-IV)**		**(1,50,87,57,157)**	**(83,86,21,707)**
VI.	Exceptional items		-	-
VII.	**Loss before extraordinary items and tax (V - VI)**		**(1,50,87,57,157)**	**(83,86,21,707)**
VIII.	Extraordinary Items		-	-
IX.	**Loss before tax (VII- VIII)**		**(1,50,87,57,157)**	**(83,86,21,707)**
X	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
XI	**Loss for the period**		**(1,50,87,57,157)**	**(83,86,21,707)**
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		**7,50,64,000**	**7,50,64,000**
	Total Comprehensive income for the period (XI + XII) (Comprising profit/loss and other comprehensive income for the period)		**(1,43,36,93,157)**	**(76,35,57,707)**
XIII	**Earnings per equity share:**			
	(1) Basic		(22.03)	(12.24)
	(2) Diluted		(22.03)	(12.24)

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 : 10th July, 2018

T.R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board

VALECHA KACHCHH TOLL ROADS LIMITED

Director **Director**

Valecha Kachchh Toll Roads 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	(1,50,87,57,157)	(83,86,21,707)
	Add / (Deduct) Adjustment for :		
	Depreciation	16,69,92,269	16,69,48,712
	Impairment of assets	59,35,12,063	-
	Interest Paid	63,48,86,449	58,25,84,398
	Interest Received	(29,22,577)	(1,95,177)
	Operating Profit before working capital changes	**(11,62,88,954)**	**(8,92,83,774)**
	Trade and other Receivable	(2,20,62,468)	(93,52,147)
	Trade and other Payables	73,97,16,765	55,82,32,888
	Net Cash Flow from Operating Activity	**60,13,65,343**	**45,95,96,967**
B.	**Cash Flow from Investing Activity**		
	Interest Received	29,22,577	1,95,177
	Purchase Of Fixed Assets	(12,68,518)	-
	Intangible Assets under Development	(10,99,93,249)	-
	Net Cash flow From Investing Activity	**(10,83,39,190)**	**1,95,177**
C.	**Cash Flow from Financing Activities**		
	Increase in Other Equity	7,50,64,000	7,50,64,000
	Interest Paid	(63,48,86,449)	(58,25,84,398)
	Proceeds from short term borrowing	6,55,19,606	1,00,00,000
	Repayment Of Loan	-	-
	Net Cash From Financing Acitivities	**(49,43,02,843)**	**(49,75,20,398)**
	Net Increase / (Decrease) in Cash and Cash Equivalents	(12,76,690)	(3,77,28,254)
	Opening Balance of Cash and Cash Equivalents	**84,79,747**	**4,62,08,000**
	Closing Balance of Cash and Cash Equivalents	**72,03,057**	**84,79,747**

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 : 10th July, 2018

T R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board

Director

VALECHA KACHCHH TOLL ROADS LIMITED

Director

Valecha Kachchh Toll Roads Limited

Statement of changes in equity

A. Equity Share Capital

Particulars	Amount
Balance as at April 1, 2016	**68,50,00,000**
Changes in equity share capital during the year	-
Balance as at March 31, 2017	**68,50,00,000**
Changes in equity share capital during the year	-
Balance as at March 31, 2018	**68,50,00,000**

B. Other Equity

	Reserves and Surplus		
Particulars	**Other Comprehensive Income**	**Retained Earnings**	**Total**
Balance as at April 1, 2016	**-**	**(58,61,94,150)**	**(58,61,94,150)**
Profit for the year	-	(83,86,21,707)	(83,86,21,707)
Provision for resurfacing expenses	-	-	-
IndAS impact for Service concession agreement	-	-	-
Corporate Guarantee Fees	7,50,64,000		7,50,64,000
Balance as at March 31, 2017	**7,50,64,000**	**(1,42,48,15,857)**	**(1,34,97,51,857)**
Profit for the year		(1,50,87,57,157)	(1,50,87,57,157)
Corporate Guarantee Fees	7,50,64,000		7,50,64,000
Balance as at March 31, 2018	**15,01,28,000**	**(2,93,35,73,014)**	**(2,78,34,45,014)**

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 : 10th July, 2018

T R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board

Director

VALECHA KACHCHH TOLL ROADS LIMITED

Director

Notes on Accounts Forming Part of the Balance Sheet as at 31st March, 2018

1. BACKGROUND:

1.1 Corporate Information:

Valecha Kachchh Toll Roads Limited (VKTRL) is a Public Limited Company incorporated in India on 8th July 2011 with the registered office at Valecha chamber, 4th Floor, Andheri New Link Road, Andheri (W), Mumbai -400 053. VKTRL is a subsidiary Company of Valecha Engineering Limited which holds 58% of the equity share capital of the Company. The remaining 42% of the equity capital is held by PBA Infrastructure Limited.

VKTRL has been set up to Design, Engineering, Construction, Development, Finance, Operation and maintenance, construction of four/ two Laning Road of Bhuj - Bhachau Road Section, in the state of Gujarat on BOT basis and it operates under a single business and geographical segment. Further, the company has received provisional certificate from Independent Engineer appointed by GSRDC to operate up to 53.659 KM out of total 77.68 KM (i.e. 69% of total KM) on 13.05.2015. Accordingly, intangible assets under development has been capitalised in current year and intangible assets has been created. The amortisation of intangible assets carried out as per SLM method according to holding company policy. The Company has started Toll Collection i.e. 16.05.2015. However, during the year 2016-17 no work has been carried out, hence balance amount of intangible assets under development is not capitalised. Balance work now started in month of January 2018 and GSRDC has infused Rs. 74 Crores to complete the same.

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. SIGNIFICANT ACCOUNTING POLICIES:

2.1 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.

T.R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

2.2 Current versus non-current classification

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

VALECHA KACHCHH TOLL ROADS LIMITED

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.

2.3 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.

2.4 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 categorisation (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.

2.5 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

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS
VALECHA KACHCHH TOLL ROADS LIMITED

the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to loans and other receivables.

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

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

De-recognition

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

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

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

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

Impairment of financial assets

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

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

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

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

VALECHA KACHCHH TOLL ROADS LIMITED

permitted by Ind AS 109, the credit provision will be determined based on whether credit risk is low only at each reporting date, until the loan is derecognized. Using the impairment methodology the Company has assessed that no loan loss allowance needs to be recorded in the books of accounts.

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

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

Financial Liabilities

Initial recognition and measurement

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

All financial liabilities are recognized initially at fair value.

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

Subsequent measurement

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

Loans and borrowings

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

Trade Payables

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

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

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

VALECHA ENGINEERING TOLL ROADS LIMITED

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.

2.6 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.

2.7 Property, plant and equipment

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

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

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

Transition to Ind AS

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

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

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

VALECHA ENGINEERING LTD. VALECHA CHAMPION TOLL ROADS PVT. LTD.

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.

2.8 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 assets recognized are amortized 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.

2.9 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.

2.9 Taxes

Current Tax

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

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

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

Deferred tax

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

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

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

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

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

T.R.Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS
VALECHA KACHCHH TOLL ROADS LIMITED

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.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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.

2.16 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.

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

VALECHA KACHCHH TOLL ROADS LIMITED

Valecha Kachchh Toll Roads Limited
Notes to Accounts for the year ended 31st March 2016

Note 3: Property,Plant & Equipment

	Details	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 1 April 2015	Addition during the year	Deduction during the year	Balance as at 31 March 2016	Balance as at 1 April 2015	Depreciation charge for the Period	Deduction during the year	Balance as at 31 March 2016	Balance as at 31 March 2016	Balance as at 31 March 2015
(I)	**Tangible Assets**										
	Furniture and Fixtures	-	31,500	-	31,500	-	2,648	-	2,648	28,852	-
	Computer	-	2,37,83,609	-	2,37,83,609	-	66,30,166	-	66,30,166	1,71,53,443	-
	Office equipment	-	4,63,345	-	4,63,345	-	77,905	-	77,905	3,85,440	-
	Total - A	-	**2,42,78,454**	-	**2,42,78,454**	-	**67,10,719**	-	**67,10,719**	**1,75,67,735**	-
(II)	**Intangible Assets**										
	Concessionaire Right	-	2,73,81,91,787	14,32,84,871	2,59,49,06,916	-	14,60,91,171	50,99,092	14,09,92,079	2,45,39,14,837	-
	Total - B	-	**2,73,81,91,787**		**2,59,49,06,916**	-	**14,60,91,171**		**14,09,92,079**	**2,45,39,14,837**	-
	Gross Total (A+B)	-	**2,76,24,70,241**		**2,61,91,85,370**	-	**15,28,01,890**		**14,77,02,798**	**2,47,14,82,572**	-

Notes to Accounts for the year ended 31st March 2017

Note 3: Property, Plant & Equipment

	Details	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 1 April 2016	Addition during the year	Deduction during the year	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation charge for the Period	Deduction during the year	Balance as at 31 March 2017	Balance as at 31 March 2017	Balance as at 31 March 2016
(I)	**Tangible Assets**										
	Furniture and Fixtures	31,500	-	-	31,500	2,648	2,993	-	5,641	25,859	28,852
	Computer	2,37,83,609	-	-	2,37,83,609	66,30,166	75,32,269	-	1,41,62,435	96,21,174	1,71,53,443
	Office equipment	4,63,345	-	-	4,63,345	77,905	88,036	-	1,65,941	2,97,404	3,85,440
	Total - A	**2,42,78,454**	-	-	**2,42,78,454**	**67,10,719**	**76,23,298**	-	**1,43,34,017**	**99,44,437**	**1,75,67,735**
(II)	**Intangible Assets**										
	Concessionaire Right	2,59,49,06,916	-		2,59,49,06,916	14,09,92,079	16,50,87,546	57,62,132	30,03,17,493	2,29,45,89,423	2,45,39,14,837
	Total - B	**2,59,49,06,916**	-		**2,59,49,06,916**	**14,09,92,079**	**16,50,87,546**		**30,03,17,493**	**2,29,45,89,423**	**2,45,39,14,837**
	Gross Total (A+B)	2,61,91,85,370	-		2,61,91,85,370	14,77,02,798	17,27,10,844		31,46,51,510	2,30,45,33,860	2,47,14,82,572

Notes to Accounts for the year ended 31st March 2018
Note 3: Property,Plant & Equipment

	Details	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 1 April 2017	Addition during the year	Deduction during the year	Balance as at 31 March 2018	Balance as at 1 April 2017	Depreciation charge for the Period	Deduction/impairment during the	Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 31 March 2017
(I)	**Tangible Assets**										
	Furniture and Fixtures	31,500		-	31,500	5,641	2,994	-	8,635	22,866	25,859
	Computer	2,37,83,609	2,08,840	-	2,39,92,449	1,41,62,435	75,75,826	-	2,17,38,261	22,54,188	96,21,174
	Office equipment	4,63,345		-	4,63,345	1,65,941	88,036	-	2,53,977	2,09,368	2,97,404
	Total - A	**2,42,78,454**	**2,08,840**	-	**2,44,87,294**	**1,43,34,017**	**76,66,855**	-	**2,20,00,872**	**24,86,422**	**99,44,437**
(II)	**Intangible Assets**										
	Concessionaire Right	2,59,49,06,916	10,59,678	59,35,12,063	2,00,24,54,531	30,03,17,493	16,50,87,546	57,62,132	45,96,42,906	1,54,28,11,625	2,29,45,89,423
	Total - B	**2,59,49,06,916**	**10,59,678**		**2,00,24,54,531**	**30,03,17,493**	**16,50,87,546**		**45,96,42,906**	**1,54,28,11,625**	**2,29,45,89,423**
	Gross Total (A+B)	**2,61,91,85,370**	**12,68,518**		**2,02,69,41,825**	**31,46,51,510**	**17,27,54,401**		**48,16,43,779**	**1,54,52,98,047**	**2,30,45,33,860**

T R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

VALECHA KACHCHH TOLL ROADS LIMITED

Valecha Kachchh Toll Roads Limited
Notes to Accounts for the year ended 31st March 2016

Note 3A: Intangible Assets under Development	Opening Bal 31-Mar-15 (A)	Addition upto 13-May-15 (B)	Capitalisation Intangible Assets 69% of (A) & (B) as on 13/05/2015 ('C)	Capitalisation Tangible Assets as on 13/05/2015 (D)	Addition From 14/05/2015 onwards ('E)	Rs. Closing Bal 31-Mar-16 Total of (A to E)
EPC Cost	2,99,12,89,835	4,10,89,320.00	(2,09,23,41,617)	-	37,89,00,852	1,31,89,38,390
Interest During Construction	70,43,89,035	3,24,67,313.00	(50,84,30,880)	-	11,76,38,259	34,60,63,727
Interest on Unsecured loan	-	-	-	-	-	
Other Preliminary Expenses	1,62,329	-	(1,12,007)	-	-	50,322
Prebid Expenses	9,82,794	-	(6,78,128)	-	-	3,04,666
Appraisal Fee - Canara Bank	22,06,000	-	(15,22,140)	-	-	6,83,860
Audit Fee	4,95,510	-	(3,41,902)	-	14,680	1,68,288
Air Conditioner	31,500		-	(31,500)	-	-
Bank Charges	4,24,826	933.00	(2,93,774)	-	543	1,32,528
B G Commission	10,62,300	-	(7,32,987)	-	-	3,29,313
Conveyance Charges	23,669	-	(16,332)	-	700	8,037
Development Fees	5,13,76,000	-	(3,54,49,440)	-	-	1,59,26,560
General Expenses	1,49,191	97,471.00	(1,70,197)	-	-	76,465
Generator Set		4,63,345.00	-	(4,63,345)	-	-
IEC Code Exp.	5,000	-	(3,450)	-	-	1,550
I.E. Reimbursement of Payment	2,70,62,696	-	(1,86,73,260)	-	20,87,963	1,04,77,399
Insurance Charges		-	-	-	55,623	55,623
IE Escalation Work	15,74,281	-	(10,86,254)	-	-	4,88,027
Interest on IE Fees	10,41,976	-	(7,18,963)	-	-	3,23,013
Interest Paid on Statutory Liability	1,37,251	1,199.00	(95,531)	-	57,759	1,00,679
ISIN Activation Exp.	33,708	-	(23,259)	-	-	10,449
Postage & Courier A/c	14,000	-	(9,660)	-	-	4,340
Printing & Stationery	60,556	-	(41,784)	-	-	18,772
Professional Fees	4,85,30,196	38,427.00	(3,35,12,350)	-	37,56,306	1,88,12,579
Professional Fees - Traffic Study	3,60,002	-	(2,48,401)	-	-	1,11,601
ROC Charges	49,39,219	-	(34,08,061)	-	-	15,31,158
Salary Paid	6,91,254	38,426.00	(7,29,680)	-	-	-
Staff Welfare Expenses	9,753	-	(9,753)	-	-	-
Stamp Duty	6,26,237	8,02,600.00	(9,85,898)	-	-	4,42,939
Supervision Charges for ROB	3,00,81,979	5,61,800.00	(2,11,44,208)	-	62,82,500	1,57,82,071
Tax Expense	2,66,005	-	(1,83,543)	-	56,965	1,39,427
Toll Expenses	-	15,88,487.00	(10,96,056)	-	3,12,980	8,05,411
Toll Systems	2,00,25,080		-	(2,00,25,080)	-	-
Travelling Expenses	14,39,810	-	(9,93,469)	-	58,270	5,04,611
Upfront Fee - Canara Bank	55,15,000	-	(38,05,350)	-	-	17,09,650
Upfront Fee - IOB	41,91,400	12,92,720.00	(37,84,043)	-	-	17,00,077
Up Front Fees Additional Debt- Canara Bank	17,58,434	-	(12,13,319)	-	-	5,45,115
Interest on Development Fees	1,06,01,402	-	(73,14,967)	-	-	32,86,435
(Sub Total a)	**3,91,15,58,229**	**7,84,42,041**	**(2,73,91,70,662)**	**(2,05,19,925)**	**50,92,23,400**	**1,73,95,33,083**
Less : Indirect Income	14,18,659		(9,78,875)			4,39,784
(Sub Total b)	**14,18,659**	-	**(9,78,875)**	-	-	**4,39,784**
Grand Total (a-b)	**3,91,01,39,570**	**7,84,42,041**	**(2,73,81,91,787)**	**(2,05,19,925)**	**50,92,23,400**	**1,73,90,93,298**

1. The company is concessionaire for the project of development of Bhuj Bhachau Road Section in the state of Gujarat and is authorised for the right from project authority to collect the toll fee from the users of said road section during operation period after COD.
2. Further, the company has received provisional certificate from Independent Engineer appointed by GSRDC to operate up to 53.659 KM out of total 77.68 KM (i.e. 69% of total KM) on 13.05.2015. Accordingly, intangible assets under development has been capitalised in current year and intangible assets has been created.
3. The amortisation of intangible assets carried out as per SLM method according to holding company policy.

T.R. Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

VALECHA KACHCHH TOLL ROADS LIMITED

Valecha Kachchh Toll Roads Limited
Notes to Accounts for the year ended 31st March 2017

	Opening Bal 01-Apr-16	Addition During The Year	Capitalisation Intangible Assets (A) & (B)	Capitalisation Tangible Assets	Rs. Closing Bal 31-Mar-17
Note 3A: Intangible Assets under Development	(A)	(B)	('C)	(D)	Total of (A to D)
EPC Cost	1,31,89,38,390	-	-	-	1,31,89,38,390
Interest During Construction	34,60,63,727	-	-	-	34,60,63,727
Interest on Unsecured loan					
Other Preliminary Expenses	50,322	-	-	-	50,322
Prebid Expenses	3,04,666	-	-	-	3,04,666
Appraisal Fee - Canara Bank	6,83,860	-	-	-	6,83,860
Audit Fee	1,68,288	-	-	-	1,68,288
Air Conditioner	-	-	-	-	-
Bank Charges	1,32,528	-	-	-	1,32,528
B G Commission	3,29,313	-	-	-	3,29,313
Conveyance Charges	8,037	-	-	-	8,037
Development Fees	1,59,26,560	-	-	-	1,59,26,560
General Expenses	76,465	-	-	-	76,465
Generator Set	-	-	-	-	-
IEC Code Exp.	1,550	-	-	-	1,550
I.E. Reimbursement of Payment	1,04,77,399	-	-	-	1,04,77,399
Insurance Charges	55,623	-	-	-	55,623
IE Escalation Work	4,88,027	-	-	-	4,88,027
Interest on IE Fees	3,23,013	-	-	-	3,23,013
Interest Paid on Statutory Liability	1,00,679	-	-	-	1,00,679
ISIN Activation Exp.	10,449	-	-	-	10,449
Postage & Courier A/c	4,340	-	-	-	4,340
Printing & Stationery	18,772	-	-	-	18,772
Professional Fees	1,88,12,579	-	-	-	1,88,12,579
Professional Fees - Traffic Study	1,11,601	-	-	-	1,11,601
ROC Charges	15,31,158	-	-	-	15,31,158
Salary Paid	-	-	-	-	-
Staff Welfare Expenses	-	-	-	-	-
Stamp Duty	4,42,939	-	-	-	4,42,939
Supervision Charges for ROB	1,57,82,071	-	-	-	1,57,82,071
Tax Expense	1,39,427	-	-	-	1,39,427
Toll Expenses	8,05,411	-	-	-	8,05,411
Toll Systems	-	-	-	-	-
Travelling Expenses	5,04,611	-	-	-	5,04,611
Upfront Fee - Canara Bank	17,09,650	-	-	-	17,09,650
Upfront Fee - IOB	17,00,077	-	-	-	17,00,077
Up Front Fees Additional Debt- Canara Bank	5,45,115	-	-	-	5,45,115
Interest on Development Fees	32,86,435	-	-	-	32,86,435
(Sub Total a)	1,73,95,33,083	-	-	-	1,73,95,33,083
Less : Indirect Income	4,39,784	-	-	-	4,39,784
(Sub Total b)	4,39,784	-	-	-	4,39,784.28
Grand Total (a-b)	**1,73,90,93,298**	-	-	-	1,73,90,93,298

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

VALECHA KACHCHH TOLL ROADS LIMITED

Valecha Kachchh Toll Roads Limited
Notes to Accounts for the year ended 31st March 2018

	Opening Bal 01-Apr-17	Addition During The Year	Capitalisation Intangible Assets (A) & (B)	Capitalisation Tangible Assets	Rs. Closing Bal 31-Mar-18
Note 3A: Intangible Assets under Development	(A)	(B)	('C)	(D)	Total of (A to D)
EPC Cost	1,31,89,38,390	5,29,83,907.00	-	-	1,37,19,22,297
Interest During Construction	34,60,63,727	5,58,82,061.00	-	-	40,19,45,788
Interest on Unsecured loan	-	11,27,281.00	-	-	11,27,281
Other Preliminary Expenses	50,322	-	-	-	50,322
Prebid Expenses	3,04,666	-	-	-	3,04,666
Appraisal Fee - Canara Bank	6,83,860	-	-	-	6,83,860
Audit Fee	1,68,288	-	-	-	1,68,288
Air Conditioner	-	-	-	-	-
Bank Charges	1,32,528	-	-	-	1,32,528
B G Commission	3,29,313	-	-	-	3,29,313
Conveyance Charges	8,037	-	-	-	8,037
Development Fees	1,59,26,560	-	-	-	1,59,26,560
General Expenses	76,465	-	-	-	76,465
Generator Set	-	-	-	-	-
IEC Code Exp.	1,550	-	-	-	1,550
I.E. Reimbursement of Payment	1,04,77,399	-	-	-	1,04,77,399
Insurance Charges	55,623	-	-	-	55,623
IE Escalation Work	4,88,027	-	-	-	4,88,027
Interest on IE Fees	3,23,013	-	-	-	3,23,013
Interest Paid on Statutory Liability	1,00,679	-	-	-	1,00,679
ISIN Activation Exp.	10,449	-	-	-	10,449
Postage & Courier A/c	4,340	-	-	-	4,340
Printing & Stationery	18,772	-	-	-	18,772
Professional Fees	1,88,12,579	-	-	-	1,88,12,579
Professional Fees - Traffic Study	1,11,601	-	-	-	1,11,601
ROC Charges	15,31,158	-	-	-	15,31,158
Salary Paid	-	-	-	-	-
Staff Welfare Expenses	-	-	-	-	-
Stamp Duty	4,42,939	-	-	-	4,42,939
Supervision Charges for ROB	1,57,82,071	-	-	-	1,57,82,071
Tax Expense	1,39,427	-	-	-	1,39,427
Toll Expenses	8,05,411	-	-	-	8,05,411
Toll Systems	-	-	-	-	-
Travelling Expenses	5,04,611	-	-	-	5,04,611
Upfront Fee - Canara Bank	17,09,650	-	-	-	17,09,650
Upfront Fee - IOB	17,00,077	-	-	-	17,00,077
Up Front Fees Additional Debt- Canara Bank	5,45,115	-	-	-	5,45,115
Interest on Development Fees	32,86,435	-	-	-	32,86,435
(Sub Total a)	**1,73,95,33,083**	**10,99,93,249**	**-**	**-**	**1,84,95,26,332**
Less : Indirect Income	4,39,784	-	-	-	4,39,784
(Sub Total b)	4,39,784	-	-	-	4,39,784.28
Grand Total (a-b)	**1,73,90,93,298**	**10,99,93,249**	**-**	**-**	**1,84,90,86,547**

T R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

VALECHA KACHCHH TOLL ROADS LIMITED

Note 4:	Other Non Current Assets	31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
	(I) Other Advances			
	Advance to Parties	-	5,350	5,350
		-	5,350	5,350
	II) Deposits			
	Sales Tax Deposit	50,000	50,000	50,000
		50,000	50,000	50,000
	Total	50,000	55,350	55,350

Note 5:	Cash and cash equivalents	31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
	(I) Cash on Hand	2,10,509	5,20,979	3,85,665
	(Sub Total I)	2,10,509	5,20,979	3,85,665
	(II) Balances with Banks			
	In Current Accounts			
	Canara Bank A/c 2677201000919	19,935	13,47,145	36,92,798
	Canara Bank Escrow A/c 2630201000167	-7,23,315	31,41,474	28,41,380
	Canara Bank Toll Collection A/c -3309201000052	58,73,651	34,70,148	20,78,660
	Corporation Bank A/c 510101006285562	18,22,276		
	In Deposit Account			
	Bank term Deposit for Debt Service Reserve Accounts (FDR is under lien of bank. Further, the maturity of FDR is less than 12 months)	-	-	3,72,09,497
	(Sub Total II)	69,92,547	79,58,768	4,58,22,335
	Total	72,03,057	84,79,747	4,62,08,000

Note 6:	Loans - Current	31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
	Advances to related parties:			
	Unsecured:			
	Machinery Advance to Valecha Engineering Limited	5,38,34,002	5,38,34,002	5,38,34,002
	Material Advance to Valecha Engineering Limited	18,61,37,073	18,61,37,073	18,61,37,073
	Mobilisation Advance to Valecha Engineering Limited	12,38,84,659	12,38,84,659	12,38,84,659
	Other Advance to Valecha Engineering Limited	4,56,38,420	2,45,40,813	1,03,49,694
	Valecha Infrastructures Ltd Assets	21,74,970	21,74,970	13,74,970
	Valecha Badwani Sendhwa Toll Ways Ltd	3,13,831	3,97,880	4,91,600
	Valecha LM Toll Private Limited	1,79,240	1,79,240	2,09,240
		41,21,62,195	39,11,48,637	37,62,81,238

Note 7:	Other Current Assets	31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
	TDS Receivable	1,41,866	2,04,580	7,01,357
	WCT Receivable	-	12,979	12,979
	Total	1,41,866	2,17,559	7,14,336

Note 8:	Other Current Assets	31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
	Imprest	1,10,065	28,709	1,16,255
	Advances to Staff	1,850	-	-
	Prepaid upfront fees	72,80,746	95,20,682	1,27,57,554
	Prepaid Insurance Expenses	32,86,684	-	-
	Interest Accrued On Bank Term Deposit	-	-	16,94,057
	Total	1,06,79,345	95,49,391	1,45,67,866

Note 9:	Share Capital	31-Mar-18 (Amount in INR)	31-Mar-17 (Amount in INR)	1-Apr-16 (Amount in INR)
	(I) Authorised Share Capital			
	6,85,00,000 (Prev. Year 6,85,00,000) Equity Shares of Rs 10 each	68,50,00,000	68,50,00,000	68,50,00,000
	(II) Equity Shares - Issued, Subscribed and Paid up			
	6,85,00,000 (Prev. Year 6,85,00,000) Equity Shares of Rs 10 each	68,50,00,000	68,50,00,000	68,50,00,000
	Total	68,50,00,000	68,50,00,000	68,50,00,000

(III) Reconciliation of the shares outstanding at the beginning and the at the end of the reporting period

	2017-18 No. of shares	2016-17 No. of shares	2015-16 No. of shares
At the beginning of the year	68,50,00,000	68,50,00,000	68,50,00,000
Add : Issued during the year	-	-	-
Outstanding at the end of the year	68,50,00,000	68,50,00,000	68,50,00,000

Rights, Preferences and Restrictions - 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. The company declares and pays dividend in Indian rupees. 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.

Shares held by	No.of Shares	% of Shares	No.of Shares	% of Shares	No.of Shares	% of Shares
- Its Holding Company (M/s Valecha Engineering Limited)	3,98,35,000	58%	3,98,35,000	58%	3,98,35,000	58%

Details of Shareholders holding more than 5% shares

	2017-18		2016-17			
Name of Shareholders	**No. of shares**	**% holding**	**No of Shares**	**% holding**	**No of Shares**	**% holding**
Valecha Engineering Limited	3,98,35,000	58%	3,98,35,000	58%	3,98,35,000	58%
PBA Infrastructure Limited	2,86,65,000	42%	2,86,65,000	42%	2,86,65,000	42%

Note 10:	Other Equity	31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
	Surplus/(Deficit) in statement of Profit & Loss			
	Balance Brought Forward	(1,42,48,15,857)	(58,61,94,150)	-
	Surplus/(Deficit) in statement of Profit & Loss during the year	(1,50,87,57,157)	(83,86,21,707)	(39,42,86,486)
	Provision for resurfacing expenses	-	-	(6,64,79,439)
	IndAS impact for Service concession agreement	-	-	(12,54,28,225)
		(2,93,35,73,014)	(1,42,48,15,857)	(58,61,94,150)
	Other Comprehensive Income (Guarantee Fees)	15,01,28,000	7,50,64,000	-
		(2,78,34,45,014)	(1,34,97,51,857)	(58,61,94,150)

T.R. Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

VALECHA KACHCHH TOLL ROADS LIMITED

Note 11 Borrowing - Non Current	31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
Secured Loans			
A) Term Loans			
Canara Bank	1,93,97,00,000	2,04,81,00,000	2,10,10,00,000
Indian Overseas Bank	1,47,86,00,000	1,55,87,00,000	1,59,55,00,000
Total Long Term Borrowing	**3,41,83,00,000**	**3,60,68,00,000**	**3,69,65,00,000**

The term loan is secured by :

i.)First mortgage and charge of all companies, immovable properties if any, both present and future save and except project assets.

ii.)First paripassu charge by way of hypothecation of all the company's movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets of the project, save and except project assets, present and future.

iii.) First charge on company's cash flows and receivables including revenues of whatever nature, present or future wherever arising.

Principal, Interest & Interest Rate :

Particular	Principal Outstanding Rs. (A)	Principal Default Rs.	Interest Outstanding Rs. (B)	Total Amount in Rs. (A+B)	Rate Interest	Period of Defaul
Canara Bank	1,97,98,00,000	4,00,00,000	80,73,31,224	2,78,71,31,224	Base Rate+6.45%	Principal is payable since June 2016 and interest is payable since February 2016.
	15,35,00,000	4,52,00,000	5,80,27,825	21,15,27,825		
Total A	2,13,33,00,000	8,52,00,000	86,53,59,049	2,99,86,59,049		
Indian Overseas Bank	1,50,55,00,000	2,66,00,000	42,53,99,495	1,93,08,99,495	Base Rate+1.75%	Principal is payable since June 2016 and interest is payable since February 2016.
	11,44,00,000	3,46,00,000	1,90,98,795	13,34,98,795		
Total B	1,61,99,00,000	6,12,00,000	44,44,98,290	2,06,43,98,290		
Total (A+B)	3,75,32,00,000	14,64,00,000	1,30,98,57,339	5,06,30,57,339		

Sanction Amount

Bank	Sanction Amount		
	31-Mar-18	31-Mar-17	31-Mar-16
Canara Bank	2,15,35,00,000	2,15,35,00,000	2,15,35,00,000
Indian Overseas Bank	1,63,44,00,000	1,63,44,00,000	1,63,44,00,000

Repayment :

Payable in structured quarterly instalments, starting after a moratorium period of one year post the construction period of one & half years, accordingly, the instalment will be due on 30th June 2016 as per available sanction letter. As per the sanction letter dated 11.11.2014 COD of the project has been extended by one year to 31st March 2015 correspondingly repayment schedule has been revised and first repayment shall start from 30th June 2016.

Maturity Profile of Secured Loans	(Amount in INR Crs)	(Amount in INR Crs)	(Amount in INR Crs)
Repayable in 1 - 3 years	33	33	33
Repayable in 3-5 years	54	54	54
More than 5 years	292	292	292
	379	379	379

Company has not paid any principal amount during the current year. Further, Bank has not communicated revised repayment schedule. Hence, we consider, same repayment schedule for current year.

Note 12: Provisions - Non Current	31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
Provision for MMR	16,67,54,401	9,59,41,585	6,64,79,439
Total	**16,67,54,401**	**9,59,41,585**	**6,64,79,439**

Note 13: Borrowings - Current	31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
Unsecured			
Loans and advances from related parties			
Part of the Promoters Contribution in Project from Valecha Engineering Limited, Holding Company. Infused as per the Rupee Loan Agreement entered with project lenders.	58,45,00,000	58,45,00,000	57,45,00,000
Repayable after the payment of secured loans, at face value on the basis of availability of cash flow and carries 0% interest.			
Loan form GSRDC	6,55,19,606	-	-
Total	**65,00,19,606**	**58,45,00,000**	**57,45,00,000**

Note 14: Trade payables	31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
Trade Payables			
Payable to EPC Contractor Holding Company	1,98,34,758	1,67,66,217	1,67,66,217
Sundry Creditors Others	2,19,89,971	2,07,66,641	2,11,49,952
Total	**4,18,24,729**	**3,75,32,858**	**3,79,16,169**

Note 15: Other financial Liabilities - Current	31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
Interest accrued and due on borrowings	1,31,09,84,620	64,64,05,542	11,02,21,912
Current Maturity Of Long Term Debt	33,49,00,000	14,64,00,000	5,67,00,000
Total	**1,64,58,84,620**	**79,28,05,542**	**16,69,21,912**

Note 16: Other Current Liabilities	31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)	01-04-2016 (Amount in INR)
Statutory Dues	2,82,715	2,49,715	72,79,292
Total	**2,82,715**	**2,49,715**	**72,79,292**

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

VALECHA KACHCHH TOLL ROADS LIMITED

Note 17:	Employee Benefits Expenses	31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)
	Salaries & Wages	12,31,430	11,21,385
	Others	44,600	53,550
	Total	12,76,030	11,74,935

Note 18:	Finance Costs	31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)
	Interest Cost	63,25,69,736	57,92,97,679
	other finance cost	23,16,713	32,86,719
	Total	63,48,86,449	58,25,84,398

Note 19:	Other Expenses	31-03-2018 (Amount in INR)	31-03-2017 (Amount in INR)
	Legal & Professional Fees	2,76,334	7,68,820
	Postage & Telegram	1,170	300
	Power & Fuel	1,66,886	2,29,709
	Rent & Hire Charges	14,27,685	15,53,425
	Rent, Rates & Taxes	97,812	9,000
	Repair & Maintenance	1,36,41,038	1,74,43,647
	Sundry Operational Expenses	3,13,611	9,46,792
	Toll Operation & maintenance Expenses	1,18,62,859	1,22,18,796
	Travelling & Conveyance Expenses	6,53,330	8,38,752
	Excess Provision W/off	61,591	13,02,497
	Payment to Auditors	3,67,990	4,24,714
	Provision for resurfacing Expenses	7,08,12,816	2,94,62,146
	Corporate Guarantee Fees	7,50,64,000	7,50,64,000
	Total	17,47,47,122	14,02,62,597

Note 20:	Commitments	31-03-2018	31-03-2017
	Estimated amount of contracts remaining to be executed on capital account (Net of Capital Advances)	62,70,83,366	73,70,76,615

Note 21:	Auditors Remuneration (Including taxes)	31-03-2018	31-03-2017
	Statutory Audit Fee	2,27,500	2,68,000
	Tax Audit	88,500	1,00,000
	Service tax/GST	40,950	55,200
		3,56,950	4,23,200

Note 22:	Earning Per Share	31-03-2018	31-03-2017
	Net Profit attributable to equity shareholders	(1,50,87,57,157)	(83,86,21,707)
	Weighted average number of shares for Basic and Diluted EPS (Numbers)	6,85,00,000	6,85,00,000
	Basic & Diluted Earnings Per share (Equity share of Rs. 10/- each)	(22.03)	(12.24)

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

VADODARA KACHCHH TOLL ROADS LIMITED

Note 23: Segment Reporting

The Company is a special purpose vehicle which has a single special purpose of development of Bhuj Bhachau Road Section in the state of Gujrat on BOT basis; therefore the only segment of company as per Ind AS 108.

Note 24: Construction Work in Progress

The Project Milestone(s) / Schedule Construction Completion Date as per Clause 10.3.5 of the Concession Agreement with GSRDC could not be achieved for reasons attributable to GSRDC. Accordingly the company had made representation to GSRDC for extension of time and the GSRDC had allowed the interim extension of time in Schedule Construction Completion Date upto 31/12/2014. However, since the construction work could not be completed before the extended date, the company has made represention to GSRDC for extension of time upto 31/12/2015 and the company is hopeful of getting the extension of time. In view of the same, the company does not anticipate any demand from GSRDC for non - achievement of Milestone(s) / Construction Completion Date. Since the project delay caused delay in COD / toll recovery the bankers have re-scheduled the repayment obligation and sanctioned additional loan of Rs.26.79 crores towards interest during construction period. As such there is no cost overrun and escalation on the EPC cost. Further, the company has received provisional certificate from Independent Engineer appointed by GSRDCL to operate up to 53.659 KM from 13.05.2015. The Company has started Toll Collection w.e.f 16.05.2015.

GSRDC has conveyed that the Extension of Time sought by is under consideration. In the mean time the project has got delayed beyond 31/12/2015. In which the company has to sought extension of time suitably as per letter dated 25.12.2015. In view of the same the GSRDC has to modify the Milestone / completion of work accordingly and to arrive a realistic project completion date.

Further, the company has received provisional certificate from Independent Engineer appointed by GSRDC to operate up to 53.659 KM from 13.05.2015. Accordingly, the Company has started to collect Toll Collection w.e.f 16.05.2015. However, during the year 2016-17 no work has been carried out, hence balance amount of intangible assets under development is not capitalised.

Balance work now started in month of Januay'18 and GSRDC has infused Rs. 74 Crores to complete the same.

Note 25: In the opinion of the management, the Current Assets, Loans and Advances and Current Liabilities are approximately of the value stated, if realised / paid in the ordinary course of business. The provision for all known liabilities is adequate and is not in excess of amounts considered reasonably necessary.

Note 26: Balance disclosed under advances and creditors are subject to reconciliation.

Note 27: Micro and small Micro and small enterprises as defined under MSMED Act, 2006

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 March 31, 2017. 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.

Note 28: Contingent Liabilities

As Concession Agreement Article: 14.4.1: Damage liability may arise due to non-completion of Punch list with 90 days from dated of provisional certificated issued. (Provisional Certificated Dated: 13.05.2015). Lower of 0.1% of the Performance Security and 0.2% of the costs of completing such items as estimated by the Independent Engineer on per day basis, amounting to Rs. 300,45,600 (PY : 300,45,600). GSRDC has conveyed that the Extension of Time sought by is under consideration. In the mean time the project has got delayed beyond 31/12/2015. In which the company has to sought extension of time suitably as per letter dated 25.12.2015. In view of the same the GSRDC has to modify the Milestone / completion of work accordingly and to arrive a realistic project completion date.

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

VALECHA KACHCHH TOLL ROADS LIMITED

Note 29: **Related party Disclosure**

The Company has undertaken following transactions with the related parties in terms of Accounting Standard – 18 "Related Party Disclosure":

Enterprise where control exist:	**M/s.Valecha Engineering Ltd (VEL) (Holding Company)**
Enterprise having significant influence :	M/s.PBA Infrastructure Limited (PBA)
Enterprise over which holding company having significant influence :	Valecha Infrastructure Limited
	Valecha Badwani Sendhwa Toll Ways Ltd
	Valecha LM Toll Pvt. Ltd.

The name of related parties with the nature of relationship

NATURE OF TRANSACTIONS:	Holding Company			Enterprise having significant influence			Enterprise over which holding company having significant influence		
	April 2017 to Mar 2018	April 2016 to Mar 2017	April 2015 to Mar 2016	April 2017 to Mar 2018	April 2016 to Mar 2017	April 2015 to Mar 2016	April 2017 to Mar 2018	April 2016 to Mar 2017	April 2015 to Mar 2016
TRANSACTION DURING THE YEAR									
Expenses debited into Intangible Assets Under Development									
EPC Cost	5,29,83,907	-	41,99,90,172						
Advance given							-	-	2,01,008
Advance received back							-	-	-
Share Application Money Recd	-	-							
Promoters Contribution Recd.	-	1,00,00,000	6,08,00,000						
Short Term Borrowing		-							
Shares Allotted		-		-	-				
OUTSTANDING AT THE YEAR END									
LIABILITIES									
Sub-ordinate debt	58,45,00,000	58,45,00,000	57,45,00,000						
Creditors	1,98,34,758	1,67,66,217	1,67,66,217						
Short Term Borrowing		-							
ASSETS									
Mobilization Advance	5,38,34,002	5,38,34,002	5,38,34,002						
Material Advance	18,61,37,073	18,61,37,073	18,61,37,073						
Machinery Advance	12,38,84,659	12,38,84,659	12,38,84,659						
Other Advance	4,56,38,420	2,45,40,813	1,03,49,694				26,68,041	27,52,090	20,75,810

T.R. Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

VALECHA KACHCHH TOLL ROADS LIMITED

Note 30 **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 Bank Balance	-	-	72,03,057	-	-	84,79,747	-	-	4,62,08,000
Loans	-	-	41,21,62,195	-	-	39,11,48,637	-	-	37,62,81,238
Total financial assets	-	-	41,93,65,251	-	-	39,96,28,384	-	-	42,24,89,238
Financial liabilities									
Borrowing			4,06,83,19,606			4,19,13,00,000			4,27,10,00,000
Trade payables	-	-	4,18,24,729	-	-	3,75,32,858	-	-	3,79,16,169
Other financial liabilities	-	-	1,64,58,84,620	-	-	79,28,05,542	-	-	16,69,21,912
Total financial liabilities	-	-	5,75,60,28,955	-	-	5,02,16,38,400	-	-	4,47,58,38,081

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 31 **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 32 **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 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, 2018	As at 31st March, 2017
Interest rates (increase) by 1	-4,06,83,196	-4,19,13,000
Interest rates decrease by 1 basis	4,06,83,196	4,19,13,000

Note 33 **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, 2018			
Liabilities			
Borrowing	4,06,83,19,606	65,00,19,606	3,41,83,00,000
Trade payables	4,18,24,729	4,18,24,729	-
Other financials liabilities	1,64,58,84,620	1,64,58,84,620	-
Assets			
Cash and Bank Balance	72,03,057	72,03,057	-
Loans	41,21,62,195	41,21,62,195	-
As at March 31, 2017			
Liabilities			
Borrowing	4,19,13,00,000	58,45,00,000	3,60,68,00,000
Trade payables	3,75,32,858	3,75,32,858	-
Other financials liabilities	79,28,05,542	79,28,05,542	-
Assets			
Cash and Bank Balance	84,79,747	84,79,747	-
Loans	39,11,48,637	39,11,48,637	-
As at April 01, 2016			
Liabilities			
Borrowing	4,27,10,00,000	57,45,00,000	3,69,65,00,000
Trade payables	3,79,16,169	3,79,16,169	-
Other financials liabilities	16,69,21,912	16,69,21,912	-
Assets			
Cash and Bank Balance	4,62,08,000	4,62,08,000	-
Loans	37,62,81,238	37,62,81,238	-

T.R. Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

VALCHA NAGACHH TOLL ROADS LIMITED

Note 34 First Time adoption

These are the Company's first financial statement prepare in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements as of and for the year ended March 31, 2017 in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and Investment Property covered by Ind AS 40 Investment Properties.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

Reconciliation of total equity as at 31 March 2017 and 1 April 2016

Particulars	Notes to first-time adoption	as at 31 March 2017	as at 1 April 2016
Total equity (shareholder's fund) as per previous GAAP		(44,59,07,307)	29,07,13,514
Adjustments:			
Provision for Resurfacing	1	(2,94,62,146)	-
IndAS impact for Service concession agreement	3	-	-
Other Comprehensive Income	2	7,50,64,000	-
Gaurantee fees	2	(7,50,64,000)	-
Unwinding of EIR	2	(32,36,872)	-
Reversal of Depreciation		57,62,132	-
Total adjustments		(2,69,36,886)	-
Total equity as per Ind AS		(63,47,51,857)	9,88,05,850
		19,19,07,665	19,19,07,664

Reconciliation of total comprehensive income

Particulars	Notes to first-time adoption	2016 - 2017
Profit after tax as per previous GAAP		(73,66,20,821)
Adjustments:		
Provision for Resurfacing	1	(2,94,62,146)
Impact for expected interest rate	2	(32,36,872)
Depreciation reversal	3	57,62,132
Corporate guarantee fees	2	(7,50,64,000)
Total adjustments		(83,86,21,707)
Profit after tax as per Ind AS		
Total Other Comprehensive Income, net of tax	2	7,50,64,000
Total Comprehensive Income as per Ind AS		(76,35,57,707)

Note 1 - Resurfacing obligation recognized as per Ind AS 37

As per service concession arrangement, the Company is obligated to carry out resurfacing of the roads under the concession period every five years. The Company estimates the likely provision required towards resurfacing and accrues the costs on an straight line basis over the period at the end of which resurfacing would be required in the Statement of Profit and Loss.

Under Indian GAAP the same obligation was recognized in the year in which resurfacing was required as per the concession arrangement.

Note 2 - Borrowing

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. The same is recognized as interest as part of the effective interest rate method over the period of the borrowing. And also charge guarantee expenses for corporate guarantee.

Under Indian GAAP, these were capitalised to intangible assets as per AS 16 'Borrowing cost' as and when incurred.

Note 3 - Application of service concessionaire arrangement as per Appendix A of Ind AS 11

Appendix A of Ind AS 11 'Service Concessionaire Arrangement' is applicable to the Company which provides guidance on accounting by the operators of public-to-private service concession arrangements under which private sector entities participate in the development, financing, operation and maintenance of infrastructure for provision of public services. The Company is engaged in to Design, Build, Finance, Operate and Transfer (DBFOT) basis the toll roads including operation and maintenance thereof during the concession period. After the expiry of the concession period the Company is required to handover the infrastructure i.e. the toll roads to the grantor.

As per the salient feature of the concession arrangement, the operator has a twofold activity based on which revenue is recognized in the financial statements which is in line with the requirement of Appendix A of Ind AS 11.
- a construction activity in respect of its obligation to design, build and finance an asset that it makes available the grantor . revenue is recognized on a stage of completion basis in accordance with Ind AS 11 during the construction phase of the toll roads.
- an operating and maintenance activity in respect of the assets under the concession during the operational : revenue is recognized in accordance with Ind AS 18.

In return of its activities, the Company receives consideration from users of toll roads as right to receive toll for usage of toll roads in consideration for the financing and construction of the infrastructure for which an intangible assets is recognized in the financial statements.

Retrospective application of 'Service Concessionaire arrangement' has led to change in the accounting policy of the Company as on the transition date for classification, recognition and measurement of construction of assets and maintenance obligations under the service concession arrangements.

Note 35: Previous Year Comparatives:

The previous year figures have been regrouped, rearranged, and reclassified wherever necessary.

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 : 10th July, 2018

For and on behalf of the Board

VALECHA KANCHHAL TOLL ROADS LIMITED

Director Director