

Independent Auditor's Report

To
The Members of
Chikhali Tarsod Highways Private Limited

Report on the audit of financial statements

1. Opinion

We have audited the accompanying financial statements of **Chikhali Tarsod Highways Private Limited** ("the Company"), which comprise the balance sheet as at 31 March 2019, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as 31 March 2019, and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for opinion

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

3. Other matter

The financial statements of the Company for the year ended 31 March 2018 were audited by another auditor who expressed an unmodified opinion on those financial statements dated 9 May 2018.

4. Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report along with annexures, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

6. Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Report on other legal and regulatory requirements

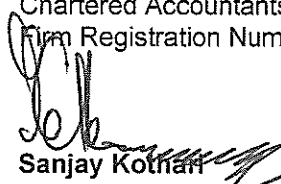
- A. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
- B. 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 including other comprehensive income, the statement of changes in equity and the statement of cash flow dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2019 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".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration during the year.

- h) 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, 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 having any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169WW-100035


Sanjay Kothari
Partner
Membership Number 048215



Mumbai, 13 May 2019

Annexure - A to the Independent Auditor's Report

Annexure referred to in Paragraph 7 (A) under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members of the Company on the financial statements for the year ended 31 March 2019, we report that:

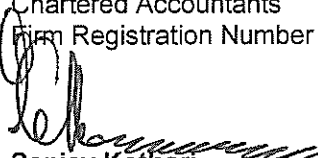
- i. The Company does not hold any fixed assets as at the Balance Sheet date. Hence, sub clause (a), (b) and (c) of clause (i) of the Order is not applicable to the Company.
- ii. The Company does not have any inventory during the year and hence Clause (ii) of the Order is not applicable to the Company.
- iii. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans or given any guarantees or made any investments or provided any security as per the provisions of Sections 185 and 186 of the Act.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act.
- vi. According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the activities carried out by the Company during the period.
- vii. According to the records of the Company, examined by us and information and explanations given to us:
 - a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and others as applicable have generally been regularly deposited with the appropriate authorities. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March 2019 for a period of more than six months from the date they became payable.
 - b) There are no dues of duty of customs, sales tax, duty of excise, income tax, service tax and value added tax which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not taken any loans or borrowings from banks or financial institutions or government during the year. The Company has issued Compulsory Convertible Debentures during the year and the Company has not defaulted in the repayment of interest and principal to the debenture holders as per the terms of instruments.
- ix. In our opinion and according to the information and explanations give to us, the Company has not raised any money by way of initial public offer or further public offer. The Company has not raised any term loan during the year.

- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the Management.
- xi. According to the records of the Company examined by us, and information and explanations given to us, the Company has not paid/provided for managerial remuneration and hence requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act is not necessary.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it.
- xiii. According to the records examined by us, and information and explanations given to us, transactions with the related parties are in compliance with Section 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Further, as explained to us, the provisions of Section 177 are not applicable to the Company.
- xiv. According to the records of the Company examined by us, and information and explanations given to us, the Company has made preferential allotment of fully paid compulsorily convertible debentures and equity shares during the year.
- xv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035


Sanjay Kothari

Partner

Membership Number 048215



Mumbai, 13 May 2019

Annexure - B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 7(B)(f) under "Report on Other Legal and Regulatory requirements" of our Report of even date to the members of the Company on the financial statements for the year ended 31 March 2019.

We have audited the internal financial controls over financial reporting of **Chikhali Tarsod Highways Private Limited** ("the Company") as at 31 March 2019 in conjunction with our audit of the 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on "Audit of Internal Financial Controls over Financial Reporting" (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of internal financial controls over financial reporting

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

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035


Sanjay Kothari

Partner

Membership Number 048215



Mumbai, 13 May 2019

Chikhali-Tarsod Highways Private Limited

Balance Sheet as at 31 March 2019

(Rupees in lakhs)

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
1. Non-current assets			
(a) Financial assets			
(i) Service concession receivables	4	23,996	-
(b) Deferred tax assets	26	4	-
(c) Non-current tax assets	5	28	-
Total non-current assets		24,028	-
2. Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	6	957	0
(ii) Bank balances other than (i) above	7	279	276
(iii) Loans	8	0	0
(b) Other current assets	9	11,303	510
Total current assets		12,539	786
Total assets		36,567	786
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10a	100	1
(b) Instruments entirely equity in nature	10b	6,189	874
(c) Other equity	10c	(149)	(151)
Total equity		6,140	724
LIABILITIES			
1. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	-	62
(ii) Trade payables	12		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		24,670	0
(b) Other current liabilities	13	5,757	-
Total current liabilities		30,427	62
Total equity and liabilities		36,567	786

Notes forming part of the financial statements 1 to 31

As per our report of even date.

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

Sanjay Kothari

Partner

Membership Number 048215

For and on behalf of the Board

Navin Sinha

Director

DIN : 06623309

Vinoo Sanjay

Director

DIN : 07470339

Place: Mumbai

Date: 13 May 2019

Chikhali-Tarsod Highways Private Limited

Statement of Profit and Loss for the year ended 31 March 2019

(Rupees in lakhs)

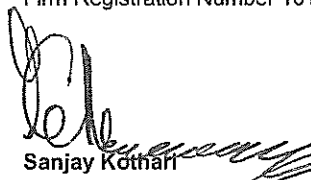
	Notes	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	14	24,010	-
Other income	15	18	0
Total income		24,028	0
Expenses			
Sub-contracting, civil and repair work		23,950	-
Finance costs	16	6	130
Other expenses	17	74	21
Total expenses		24,030	151
Loss before tax		(2)	(151)
Income tax expense	26		
- Current tax		-	-
- Deferred tax charge /(credit)		(4)	-
Total tax expense		(4)	-
Profit / (loss) for the year		2	(151)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		2	(151)
Earnings per equity share of Rs. 10 each fully paid-up	22		
Basic EPS (Rs)		10	(1,510)
Diluted EPS (Rs)		0	(1,510)

Notes forming part of the financial statements 1 to 31

As per our report of even date.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

For and on behalf of the Board


Sanjay Kothari
Partner
Membership Number 048215


Navin Sinha
Director


Vinoo Sanjay
Director

DIN : 06623309

DIN : 07470339

Place: Mumbai
Date: 13 May 2019

Chikhali-Tarsod Highways Private Limited

Statement of Cash Flow for the year ended 31 March 2019

(Rupees in lakhs)

	31 March 2019	31 March 2018
Cash flows from operating activities		
Net loss before tax	(2)	(151)
Adjustments for		
Notional income from revenue from construction contract	(24,010)	-
Interest income	(18)	(0)
Loss on financial asset measured at FVTPL	14	-
Interest expenses	6	130
Preliminary and preoperative expenses written off	-	20
Operating loss before working capital changes	(24,010)	(2)
Adjustments for		
Decrease/ (Increase) in other current assets	(10,794)	(86)
(Decrease)/ Increase in current financial liabilities	24,608	-
(Decrease)/ Increase in other current liabilities	5,758	0
Cash Generated/ (used) from/ in operation	(4,438)	(88)
Direct taxes paid	(28)	-
Net cash flow from/ (used in) operating activities (A)	(4,466)	(88)
Cash flows from investing activities		
Interest income received	18	0
Increase in other bank balances	(3)	(276)
Net cash flow from/ (used in) investing activities (B)	15	(276)
Cash flows from financing activities		
Proceeds from issue of equity shares	99	-
Proceeds from issue of compulsorily convertible debentures	5,315	874
Proceeds from short term borrowings	-	43
Finance expenses paid	(6)	(553)
Net cash flow from/ (used in) in financing activities (C)	5,408	363
Net increase/(decrease) in cash and cash equivalents (A+B+C)	957	(1)
Cash and cash equivalents at the beginning of the year	0	1
Cash and cash equivalents at the end of the year	957	0

Notes:

1. Break up of cash and cash equivalents are as follows

Cash and cash equivalents	957	0
Total cash and cash equivalents	957	0

2 As required by Ind AS 7 "Statement of Cash Flows", a reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities is given in Note 30.

3. Previous year figure are regrouped/ reclassified wherever considered necessary.

Notes forming part of the financial statements

1 to 31

As per our report of even date.

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169WW-100035

Sanjay Kotwal

Partner

Membership Number 048215

For and on behalf of the Board

Navin Sinha

Director

DIN : 06623309

Vinoo Sanjay

Director

DIN : 07470339

Place: Mumbai

Date: 13 May 2019

Chikhali-Tarsod Highways Private Limited

Statement of changes in equity for the year ended 31 March 2019

A. Equity share capital (Rupees in lakhs)

	Amount
Balances as at 31 March 2017	1
Changes in equity share capital	-
Balances as at 31 March 2018	1
Changes in equity share capital	99
Balances as at 31 March 2019	100

B. Instrument entirely equity in nature (Rupees in lakhs)

	Amount
Balances as at 31 March 2017	-
Changes during the year	874
Balances as at 31 March 2018	874
Changes during the year	5,315
Balances as at 31 March 2019	6,189

C. Other equity (Rupees in lakhs)

	Attribute to owners of Chikhali-Tarsod Highways Private Limited	
	Retained earnings	Total other equity
Balances as at 31 March 2017	-	-
Loss for the year	(151)	(151)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(151)	(151)
Balances as at 31 March 2018	(151)	(151)
Profit for the year	2	2
Other comprehensive income for the year	-	-
Total comprehensive income for the year	2	2
Balances as at 31 March 2019	(149)	(149)

Nature and purpose of reserves :-

Retained earnings

Retained earnings represent the profit made/ loss incurred by the Company for the period.

Notes forming part of the financial statements 1 to 31

As per our report of even date.

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

Sanjay Kothari

Partner

Membership Number 048215


For and on behalf of the Board



Navin Sinha

Director

DIN : 06623309



Vinoo Sanjay

Director

DIN : 07470339

Place: Mumbai

Date: 13 May 2019

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

1 Company information

Chikhali-Tarsod Highways Private Limited, ('the Company') is domiciled and incorporated in India. The Company is joint arrangement between Welspun Enterprises Limited and Corbello Trading Private Limited. The Company is engaged into infrastructure development on Hybrid Annuity model basis.

The financial statements of the Company are prepared for the year ended 1 April 2018 to 31 March 2019 and authorised for issue by the Board of Directors at their meeting held on 13 May 2019.

2 Basis of preparation

The financial statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules (as amended) from time to time and other relevant provisions of the Act and rules framed thereunder.

The financial statements have been prepared under the historical cost convention and on accrual basis, except for certain financial assets and liabilities which have been measured at fair value.

The financial statements are presented in Indian Rupees ('INR') with values rounded off to the nearest lakhs, except otherwise stated. Zero '0' denotes amount less than Rs 50,000/-

3 (A) Significant accounting policies

i) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized 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 classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- 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.

The Company classifies all other liabilities as non-current.

The Company has identified 12 months as its operating cycle.

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

ii) Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria is met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. The carrying amount of the replaced part accounted for as a separate asset previously is derecognized. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognised in the statement of profit and loss when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.



Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

Depreciation on property, plant and equipment is provided on written down value basis as per the rate derived on the basis of useful life and method prescribed under Schedule – II of the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

iii) Impairment of non-financial assets

The carrying amounts of other non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying amount exceeds its recoverable value. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the assets. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed by crediting to the statement of profit and loss if there has been a change in the estimate of recoverable amount.

iv) Service concession arrangements

The Company constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) 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.

Under Appendix C to Ind AS 115 - Service Concession Arrangements, 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 (i.e. a franchisee) to charge users of the public service. The financial asset model is used to the extent 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.

In the financial assets model, the amount due from the grantor meet the identification of the receivable which is measured at fair value. Based on business model assessment, the Company measures such financial assets at fair value and subsequently also classifies the same as fair value through profit and loss ("FVTPL"). Any assets carried under concession arrangement is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial assets expire.

v) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3(C).

a) Construction contract revenue

The Company derives revenue from the long-term construction of major infrastructure projects across India. The transaction price is normally fixed at the start of the project. It is normal practice for contracts to include escalation clause based on timely construction or other performance criteria known as variable consideration, discussed below. Revenue is recognized over time in the construction stream, when the customer simultaneously receives and consumes the benefits provided through the entity's performance or when the Company creates or enhances an asset that the customer controls.

The Company recognises revenue from construction contracts, using an input method on the basis of accumulated project expenses in relation to estimated accumulated project expenses upon completion. This method reflects close approximation of actual work performed. A provision is made for the difference between the expected cost of fulfilling a contract and the expected unearned portion of the transaction price where the forecast costs are greater than the forecast revenue.



Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

b) Services revenue

The Company performs maintenance and other services. Revenue is recognised in the accounting period in which the services are rendered, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company. Customers are in general invoiced at an amount that is calculated on either a schedule of rates or a cost plus basis that are aligned with the stand alone selling prices for each performance obligation. Payment is received following invoice on normal commercial terms.

c) Variable consideration

It is common for contracts to include performance bonuses or penalties assessed against the timeliness or cost effectiveness of work completed or other performance related KPIs. Where consideration in respect of a contract is variable, the expected value of revenue is only recognised when the uncertainty associated with the variable consideration is subsequently resolved, known as "constraint" requirements. The Company assesses the constraint requirements on a periodic basis when estimating the variable consideration to be included in the transaction price. The estimate is based on all available information including historic performance. Where modifications in design or contract requirements are entered into, the transaction price is updated to reflect these. Where the price of the modification has not been confirmed, an estimate is made of the amount of revenue to recognise whilst also considering the constraint requirement.

d) Interest income

Interest income for all debt instruments, measured at amortised cost or fair value through other comprehensive income, is recognised using the effective interest rate ('EIR') method and shown under interest income in the statement of profit and loss. Interest income on interest bearing financial assets classified as fair value through profit and loss is shown as interest income under other income.

e) Contract Balances

Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer.

Unlike the method used to recognise contract revenue related to construction contract, the amounts billed to the customer are based on achievement of the various milestones established in the contract. The amounts recognised as revenue for a given year do not necessarily coincide with the amounts billed to or certified by the customer. In the case of contracts in which the goods or services transferred to the customer exceed the related amount billed, the difference is recognised (as a contract asset) and presented in the statement of financial position under "Contract assets", whereas in contracts in which the goods or services transferred are lower than the amount billed to the customer, the difference is recognised (as a contract liability) and presented in the statement of financial position under "Contract liabilities".

Trade receivables

A trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Revenue earned from construction activities, but yet to be billed to customers, is initially recognised as contract assets and reclassified to trade receivables when the right to consideration becomes unconditional. We refer to the accounting policies on financial assets in this note for more information.

f) Cost to obtain a contract

The Company incurs costs to obtain the contracts such as bidding costs, feasibility study. The Company has charged these costs to statement of profit and loss as the Company does not expect to recover these costs.

g) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer represents a financing component. As a consequence, the Company does not adjust any of the transaction prices for the time value of money. However incase financing element is present then the Company would split the transaction price between the consideration for services rendered and time value of money ('financing component')



Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

h) Loss making contracts

A provision is made for the difference between the expected cost of fulfilling a contract and the expected unearned portion of the transaction price where the forecast costs are greater than the forecast revenue.

vi) Taxes on income

a) Current tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

b) Deferred tax

Deferred tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax (MAT) credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

vii) Foreign currency transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

viii) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.



Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

ix) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except when the results would be anti-dilutive.

x) Provisions, contingent liabilities and contingent assets

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) where, 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 to the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised 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 risk 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.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

b) 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 which is not recognized 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 recognized because it cannot be measured reliably. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized, but are disclosed in the financial statements.

xi) 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.

A. Financial assets

Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset except for financial assets classified as fair value through profit or loss.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

- a) Debt instruments measured at amortised cost
- b) Debt instruments measured at fair value through other comprehensive income (FVTOCI)
- c) Debt instruments measured at fair value through profit or loss (FVTPL)
- d) Equity instruments measured at FVTOCI or FVTPL



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Notes forming part of the financial statements

Debt instruments

The subsequent measurement of debt instruments depends on their classification. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

a) Debt instruments measured at amortised cost

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit and loss when the asset is derecognised or impaired. Income from these financial assets is included in interest income using the effective interest rate method.

b) Debt instruments measured at FVTOCI

Debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payment of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest income which are recognised in statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in the OCI is reclassified from equity to statement of profit and loss. Income from these financial assets is included in interest income using the effective interest rate method.

c) Debt instruments measured at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument (except as referred in 3 (A) (iv) as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

d) Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the 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 equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

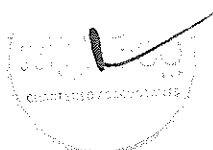
Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

B. Derecognition of financial assets

A financial asset is derecognised only when

- i) The Company has transferred the rights to receive cash flows from the financial asset or
- ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.



Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

C. Reclassification of financial instruments

The entity determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets, such as equity instruments designated as FVTPL or FVOCI. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

D. Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- i) Financial assets measured at amortised cost
- ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected credit losses are measured through a loss allowance at an amount equal to

- i) the twelve months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within twelve after the reporting date) or
- ii) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on twelve months ECL.

E. Financial liabilities

a) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial liability at initial recognition. All financial liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial liability except for financial liabilities classified as fair value through profit or loss.

b) Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

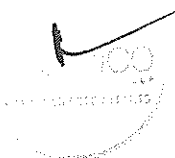
- i) Financial liabilities measured at amortised cost
- ii) Financial liabilities measured at FVTPL (fair value through profit or loss)

i) Financial liabilities measured at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss.

ii) Financial liabilities measured at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities at fair value through profit or loss are carried in the statement of profit and loss at fair value with changes in fair value recognized in the statement of profit and loss.



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Notes forming part of the financial statements

c) Derecognition

A financial liability is derecognised 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

xii) Fair value measurement

The Company measures financial instruments, such as, investment in debt and equity instruments at fair value at each reporting date.

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 to 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.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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.

xiii) Government grants

Government grants (except those existing on transition date) are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the statement of profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual installments.

xiv) 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.



Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

xv) Exceptional items

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

3 (B) Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The company has elected to apply the cumulative catch-up method on the date of transition and the revised standard is applied to contracts that were in progress as of 1 April 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect of adoption of Ind AS 115 is not material to the financial statements.

3 (C) Significant estimates, judgments and assumptions

The preparation of financial statements requires management to exercise judgment in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

a) Revenue from contracts with customers

The Company applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- i. determination of stage of completion;
- ii. estimation of total contract costs;
- iii. estimation of total contract revenue, including recognising revenue on contract variations and claims only to the extent it is highly probable that a significant reversal in the amount recognised will not occur in the future;
- iv. estimation of project completion date; and
- v. assumed levels of project execution productivity.

b) Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that have a low probability of crystallising or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes, if any, but are not provided for in the financial statements. There can be no assurance regarding the final outcome of these legal proceedings.



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Notes forming part of the financial statements

c) Impairment testing

i. Judgment is also required in evaluating the likelihood of collection of customer debt after revenue has been recognised. This evaluation requires estimates to be made, including the level of provision to be made for amounts with uncertain recovery profiles. Provisions are based on historical trends in the percentage of debts which are not recovered, or on more detailed reviews of individually significant balances.

ii. Determining whether the carrying amount of these assets has any indication of impairment also requires judgment. If an indication of impairment is identified, further judgment is required to assess whether the carrying amount can be supported by the net present value of future cash flows forecast to be derived from the asset. This forecast involves cash flow projections and selecting the appropriate discount rate.

d) Taxes

The Company periodically assesses its liabilities and contingencies related to income taxes for all years open to scrutiny based on latest information available. The Company records its best estimates of the tax liability in the current tax provision. The management believes that they have adequately provided for the probable outcome of these matters.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

e) Fair Value Measurement

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions (Refer note 21).

3 (D) Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard.



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Notes forming part of the financial statements

i. Ind AS 116 Leases

Ind AS 116 Leases was notified on 31 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards, if applicable, when they become effective. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

ii. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

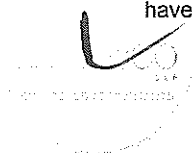
iii. Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

iv. Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.



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Notes forming part of the financial statements

Financial assets

4 Non current financial assets (Rupees in lakhs)

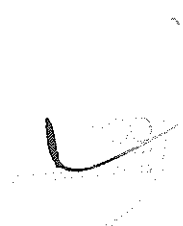
	As at 31 March 2019	As at 31 March 2018
Service concession receivables	23,996	-
Total	23,996	-

5 Non-current tax assets

	As at 31 March 2019	As at 31 March 2018
Balance with government authorities - Direct tax	28	-
Total	28	-

6 Cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Balances with banks in current accounts	957	0
Cash in hand	0	0
Total	957	0



Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

7 Bank balances (other than 6 above) (Rupees in lakhs)

	As at 31 March 2019	As at 31 March 2018
Balances with banks		
In Earmarked Accounts :-		
-Escrow account	-	14
Deposit with banks having original maturity of more than three months but less than twelve months *	279	262
Total	279	276

* Lien on fixed deposits is marked for bank gurantee issued

8 Current financial assets - loans

	As at 31 March 2019	As at 31 March 2018
(Unsecured considered good, unless otherwise stated)		
Security Deposit	0	0
Total	0	0

9 Other current assets

	As at 31 March 2019	As at 31 March 2018
Advance to suppliers	19	-
Mobilisation advances - related party	9,300	-
Balances with government authorities- Indirect taxes	1,384	87
Prepaid expenses	600	423
Total	11,303	510



Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

10 Share capital and other equity

10(a) - Equity share capital

Particulars	(Rupees in lakhs)	
	As at 31 March 2019	As at 31 March 2018
Authorised share capital		
1,000,000 (1,000,000 31 March 2018) Equity Shares of Rs.10 each fully paid up	100	100
Total authorised share capital	100	100
Issued, subscribed and paid up equity share capital		
1,000,000 (10,000 31 March 2018) equity Shares of Rs.10 each fully paid up	100	1
Total issued, subscribed and paid up equity share capital	100	1

i) Reconciliation of number of equity shares outstanding at the beginning and end of the reporting year.

	As at 31 March 2019		As at 31 March 2018	
	Number of equity shares	(Rupees in lakhs)	Number of equity shares	(Rupees in lakhs)
At the beginning of the period	10,000	1	10,000	1
Add : Issued during the year	990,000	99	-	-
Outstanding at the end of the year	1,000,000	100	10,000	1

ii) Rights, preference and restriction on shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company the holder of the equity share will be entitled to receive remaining assets of the Company after distribution of preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) Shares held by holding/ ultimate holding companies and / or their subsidiaries/ associates

	As at 31 March 2019		As at 31 March 2018	
	Number of equity shares	% Holding	Number of equity shares	% Holding
Welspun Enterprises Limited - coventurers	490,000	49.00%	4,900	49.00%
Corbello Trading Private Limited - coventurers	510,000	51.00%	5,100	51.00%

iv) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2019		As at 31 March 2018	
	Number of equity shares	% Holding	Number of equity shares	% Holding
Welspun Enterprises Limited - coventurers	490,000	49.00%	4,900	49.00%
Corbello Trading Private Limited - coventurers	510,000	51.00%	5,100	51.00%

v) The Company has not issued any bonus shares, shares issued for consideration other than cash and shares bought back during the last five years immediately preceding the reporting date 31 March 2019.

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

10(b) - Instrument entirely equity in nature

Compulsorily convertible debentures ('CCD')
6,188,600 (31 March 2018: 873,500) units of Rs 100 each, fully paid up *
Total

(Rupees in lakhs)

	As at 31 March 2019	As at 31 March 2018
	6,189	874
Total	6,189	874

Terms and conditions of CCD

* Each debentures having face value of Rs 100 each shall be compulsorily convertible in to 10 equity shares of Rs 10 each fully paid at the end of the 5 years from the date of allotment or as mutually agreed before the end of the tenure.

10(c) - Other equity

Retained earnings
As per last balance sheet
Total comprehensive income / (loss) for the year

Total

	As at 31 March 2019	As at 31 March 2018
	(151)	-
	2	(151)
Total	(149)	(151)



Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

11 Current financial liabilities - Borrowings

(Rupees in lakhs)

	As at 31 March 2019	As at 31 March 2018
Unsecured		
Loans repayable on demand from related party	-	62
Total	-	62

12 Trade payables

	As at 31 March 2019	As at 31 March 2018
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (A)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- related parties	24,658	-
- others	12	0
Sub total (B)	24,670	0
Total (A+B)	24,670	0

13 Other current liabilities

	As at 31 March 2019	As at 31 March 2018
Contract liability	5,242	-
Statutory dues	515	-
Total	5,757	-



Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

	(Rupees in lakhs)	
	Year ended 31 March 2019	Year ended 31 March 2018
14 Revenue from operations		
Revenue from construction contract	24,010	-
Total	24,010	-
15 Other income		
Interest income on financial assets carried at amortised cost		
- On bank deposits	18	0
Total	18	0
16 Finance costs		
Bank charges and other finance costs	4	130
Other	2	0
Total	6	130
17 Other expenses		
Tender fees	5	-
Rates and taxes	3	0
Insurance	25	0
Legal and professional Fees	24	0
Preoperative expenses written off	-	20
Loss on financial assets mandatorily measured at fair value through profit and loss.	14	-
Payment to Auditor :-		
Audit fees	2	0
Miscellaneous expenses	1	1
Total	74	21



Notes forming part of the financial statements

18 Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The Company is exposed to market risk, credit risk and liquidity risk.

A. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks.

B. Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

a) Trade receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Company has also taken advances and security deposits from some of its customers, which mitigate the credit risk to an extent.

b) Financial instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation, financial strength / rating and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings.

C. Liquidity risk

a) Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

b) Exposure to liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31 March 2019

	Total	Less than 1 year	1 to 5 years
Financial Liabilities			
Trade payables	24,670	24,670	-
Total	24,670	24,670	-

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31 March 2018

	Total	Less than 1 year	1 to 5 years
Financial Liabilities			
Borrowings	62	62	-
Total	62	62	-

19 Service concession receivable

The Company manages concession arrangement which include the construction of road on hybrid annuity basis followed by a period in which the Company maintains and services the infrastructure. These concession arrangements set out rights and obligations relating to the infrastructure and services to be provided. For fulfilling those obligations, the Company is entitled to receive cash from the grantor. The Consideration received or receivable is allocated by reference to the relative fair value of the services provided. The same is classified and disclosed as current and non current service concession receivables in the balance sheet based on the criteria of current and non current classification mentioned in note 3(a).

20 Capital management

For the purpose of Company's capital management, capital includes issued capital and other equity reserves attributable to the shareholders. The primary objective of the Company's capital management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants, if any.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings, trade and other payables, less cash and cash equivalents.

(Rupees in lakhs)

		As at 31 March 2019	As at 31 March 2018
Net debt	A	29,470	62
Total Capital	B	6,140	724
Capital and net debt	C = A + B	35,610	786
Gearing ratio	A / C	83%	8%

* excludes balances with banks held as margin money or security against guarantees and other commitments.



Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

21 a) Fair value measurements

Financial instruments by category	(Rupees in lakhs)			
	As at 31 March 2019		As at 31 March 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Non-current assets				
Service concession receivables	23,996	-	-	-
Current assets				
Cash and cash equivalents	-	957	-	0
Other bank balances	-	279	-	276
Loans	-	0	-	0
Total financial assets	23,996	1,236	-	276
Financial liabilities				
Current liabilities				
Borrowings	-	-	-	62
Trade payables	-	24,670	-	0
Total financial liabilities	-	24,670	-	62

b) Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount 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.

	Carrying amount	Fair value measurement		
		As at 31 March 2019	Level 1	Level 2
Service concession receivable	23,996			23,996
	As at 31 March 2018	Level 1	Level 2	Level 3
Service concession receivable	-			-

The following methods and assumptions were used to estimate the fair values:

- 1 Fair value of the cash and short term deposits and other short term receivables, trade payables, other current liabilities, and other financial instruments approximate their carrying amounts largely due to short term maturities of these instruments.
- 2 Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which uses inputs that have a significant effect on the recorded fair value that are not based on observable market data.

- 3 The carrying amounts of loans, cash and cash equivalents, other bank balances, other financial assets, non-current and current borrowings, trade payables and other financial liabilities that are measured at amortised cost are considered to be approximately equal to the fair value due to short-term maturities of these financial assets/ liabilities.

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

22 Earnings per share (EPS)

(Rupees in lakhs)

	As at 31 March 2019	As at 31 March 2018
Net profit/ (loss) after tax available for equity shareholders (Rs in lakhs)	2	(151)
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating basic EPS (Number of shares)	20,849	10,000
Add : Effect of dilutions :-		
Compulsorily Convertible Debentures (number of shares)	9,317,480	260,360
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating diluted EPS (Number of shares) *	9,338,329	10,000
Basic earnings per share	10.17	(1,509.98)
Diluted earnings per share	0.02	(1,509.98)

* Compulsorily convertible debentures were antidilutive and ignored in the calculation of diluted earning per share for the previous year.

23 Segment Information

The Company is engaged in business of infrastructure development which in the opinion of the management is considered the only business segment in the context of Ind AS 108. The geographical segment is not relevant as the Company operates in a single geographical segment in India.

24 Disclosure as required by Ind AS 24 - Related Party disclosures

a) Particulars of relationship

Name of the entities	Relationship	Extent of holding	
		As at 31 March 2019	As at 31 March 2018
Welspun Enterprises Limited	Co-venturer	49.00%	49.00%
Corbello Trading Private Limited	Co-venturer	51.00%	51.00%

b) Directors / Key managerial Personnel (KMP)

Name of the Related Parties	
Mr. Mohan K Manikkan	Director
Mr. Navin K P Sinha	Director
Mr. Vinoo Sanjay	Director

c) Other related parties:

Vishvaraj Environment Private Limited

Vishvaraj Infrastructure Limited

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

d) The following transactions were carried out with related parties in the ordinary course of business:

(Rupees in lakhs)

Nature of transactions	Year ended 31 March 2019	Year ended 31 March 2018
Subcontracting, civil and repair work	23,950	-
Welspun Enterprises Limited	23,950	-
Expenses incurred/ Advances received	488	141
Vishvaraj Environment Private Limited	-	2
Vishvaraj Infrastructure Limited	-	77
Welspun Enterprises Limited	488	62
Amount repaid/ adjusted	200	99
Vishvaraj Environment Private Limited	-	19
Vishvaraj Infrastructure Limited	-	79
Welspun Enterprises Limited	200	-
Mobilisation Advance paid	9,300	-
Welspun Enterprises Limited	9,300	-
Conversion of borrowing to CCD	301	-
Welspun Enterprises Limited	301	-
Issue of CCD	5,014	874
Welspun Enterprises Limited	1,921	874
Corbello Trading Private Limited	3,093	-
Issue of equity share capital	99	-
Welspun Enterprises Limited	49	-
Corbello Trading Private Limited	51	-
Bank guarantee given/ (discharged) by	11,529	-
Welspun Enterprises Limited	11,529	-
Corporate guarantee given/ (discharged) for financial assistance by	-	58,560
Welspun Enterprises Limited	-	58,560
Guarantee given/ (discharged) for performance security by	(5,241)	10,482
Welspun Enterprises Limited	(5,241)	10,482

Closing balances as at

	As at 31 March 2019	As at 31 March 2018
Compulsorily Convertible Debentures issued	6,189	874
Welspun Enterprises Limited	3,095	874
Corbello Trading Private Limited	3,093	-
Mobilisation Advance given	9,300	-
Welspun Enterprises Limited	9,300	-
Trade/other payable and borrowings outstanding	24,658	62
Welspun Enterprises Limited	24,658	62
Bank guarantee outstanding	11,529	-
Welspun Enterprises Limited	11,529	-
Corporate guarantee outstanding for financial assistance	58,560	58,560
Welspun Enterprises Limited	58,560	58,560
Guarantee outstanding for performance security	5,241	10,482
Welspun Enterprises Limited	5,241	10,482

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

25 A) Disclosure pertaining to Ind AS 115 " Revenue from Contracts with Customers"

	As at 31 March 2019	As at 31 March 2018
Contract revenue recognised as revenue in the period	24,010	-
Aggregate amount of cost incurred and recognised profits (less losses) to date	23,950	-
Advance Received	5,242	-

B) Contract Balances

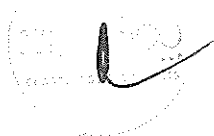
(Rupees in lakhs)

	As at 31 March 2019	As at 31 March 2018
Contract liabilities	5,242	-

a) Trade receivables are non-interest bearing and are generally on terms as agreed.

b) Explanation for increase in Contract liability

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. The increase in Contract liabilities in March 2019 is on account of mobilisation advance received as per the terms of the contract



Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

26 Income tax

(a) Tax expense recognised in the statement of profit and loss

(Rupees in lakhs)

	As at 31 March 2019	As at 31 March 2018
Current tax		
Current tax on taxable income for the period	-	-
Deferred tax		
Fair value adjustment	(4)	-
Income tax expense reported in the statement of profit and loss	(4)	-

(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate

	As at 31 March 2019	As at 31 March 2018
Accounting profit before tax	(2)	(151)
Tax effect of amount which are not taxable in calculating taxable income :		
Fair value adjustment	(4)	-
Income tax expenses reported in the statement of profit and loss	(4)	-

(c) Deferred tax relates to the following:

	Balance Sheet		Recognized in the statement of profit and loss	
	As at 31 March 2019	As at 31 March 2018	31 March 2019	31 March 2018
Deferred tax asset				
Taxable temporary difference - Fair valuation	4	-	(4)	-
Total	4	-	(4)	-
Deferred tax credit			(4)	-

d) Unrecognised deferred tax assets on unused tax losses

The Company has brought forward loss of Rs. 132 lakhs (31 March 2018 - nil). Deferred tax assets of Rs. 37 lakhs (31 March 2018 - nil) have not been recognized in respect of brought forward loss in view of uncertainty of future taxable profits.

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

27 Concession arrangements - main features

- (i) Name of the concession : Chikhali – Tarsod Highway Package IIA
- (ii) Description of arrangements : Four laning of Chikhali – Tarsod (Package- IIA) section of NH-6 from km. 360.000 to km. 422.700 in the State of Maharashtra to be executed on Hybrid Annuity pattern under NHDP Phase IV
- (iii) Significant terms of arrangements :
Period of Concession: 15 Years from COD. Construction Period: 910 days from Appointed Date
Remuneration: Annuity, Interest and O&M
Investment grant from concession grantor: Yes
Infrastructure return to grantor at end of concession : Yes
Investment and renewal obligations: No
Re-pricing dates: Half Yearly for O&M
Basis upon which re-pricing or re-negotiation is determined: Inflation price index as defined in concession agreement
- (iv) Financial Assets (Service concession receivable): Rs. In lakhs
Non-current 23,996
As on 31 March 2019 the project is in construction phase.

28 Under the Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act"), certain disclosures relating to amounts due to micro, small and medium enterprises are required to be made. As the relevant information is not given or confirmed by such enterprises in view of the management, the impact of interest, if any, which may subsequently become payable to such enterprises in accordance with the provisions of the Act, would not be material and the same, if any, would be disclosed in the year of payment of interest.

29 Details of loans given, investments made and guarantee given covered U/s 186 of the Companies Act, 2013

The Company is engaged in the business of providing infrastructural facilities as specified under Schedule VI of the Companies Act 2013 (the 'Act') and hence the provisions of Section 186 of the Act related to loans/ guarantees given or securities provided are not applicable to the Company.

30 Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows" is as under:

(Rupees in lakhs)

	Short term borrowings - Related Party	Equity	CCD
As at 31 March 2018	62	1	-
Cash inflow	-	99	5,315
Cash outflow	-	-	-
Non cash changes - other changes	(62)	-	-
As at 31 March 2019	-	100	5,315

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

- 31 Figures for the previous year are re-classified/ re-arranged/ re-grouped, wherever necessary to be in conformity with the figures of the current year's classification/ disclosure.

As per our report of even date.

For MGB & Co LLP

Chartered Accountants

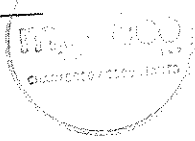
Firm Registration Number 101169W/W-100035



Sanjay Kothari

Partner

Membership Number 048215



Place: Mumbai

Date: 13 May 2019


For and on behalf of the Board



Navin Sinha

Director

DIN : 06623309



Vinoo Sanjay

Director

DIN : 07470339