INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
MONTECARLO HUBLI HAVERI HIGHWAY PRIVATE LIMITED
AHMEDABAD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of MONTECARLO HUBLI HAVERI HIGHWAY PRIVATE LIMITED ("The Company"), which comprise the Balance Sheet as at 31st March, 2020, the Profit and Loss Statement and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2020, and its profit and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for preparation and presentation for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including Accounting Standards prescribed under section 133 of the Act.

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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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements.

We have taken into account the provisions of the act and the rules made thereunder including the accounting standards and matters which are required to be included in audit report.

We conducted our audit in accordance with Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessments of the risks of material misstatements, whether due to fraud or error. In making those risk assessments, the auditor considers the Internal Financial Control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design out procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the company's directors, as well as evaluating the overall presentation of the financial statements.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. 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 and the Cash Flow statement dealt with by this report.

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d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Companies (Accounts) Rules, 2014.

e. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of 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 A.**

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors' Rules), 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

   i. The company does not have any pending litigations as at March 31, 2019 which would impact its financial position.
   ii. The company did not have any long-term contracts including derivative contracts as at March 31, 2020.
   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

2. As required by 'The Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as "Order"), and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure B**, a statement on the matters specified in para 3 and 4 of the Order.

For
H. K. Shah & Co.
Chartered Accountants,
FRN: 109583W

H. K. Shah & Co.
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CHARTERED ACCOUNTANTS

Prerak

Prerak Shah
Partner
M.No.: 181302
Place: Ahmedabad
Date : 7th July 2020
UDIN: 20181302AAAAAH5792

"Annexure-A" to the Independent Auditors' Report of even date on the Financial Statements of MONTE CARLO HUBLI HAVERI HIGHWAY PRIVATE LIMITED

(Referred to in paragraph 1(f) under 'Report on other Legal and Regulatory Requirement' of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MONTE CARLO HUBLI HAVERI HIGHWAY PRIVATE LIMITED** ("the company") as of 31st March, 2020 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 issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered

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Branch Offices: Gujarat, Maharashtra, Tamil Nadu & Uttar Pradesh

Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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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 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For
H. K. Shah & Co.
Chartered Accountants,
FRN: 109583W

H. K. & CO.
C & AG NO. WRO/510
FRN NO. 109583/W
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NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

Prerak
Prerak Shah
Partner
M.No.: 181302
Place: Ahmedabad
Date : 7th July 2020
UDIN: 20181302AAAAAH5792

"ANNEXURE-B" TO INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial Statement for the year ended 31 March, 2020. We report that:

i. **In respect of fixed assets:**

The company does not have any fixed assets as of the reporting date. So reporting under this clause is not applicable.

ii. **In respect of inventories:**

The company does not have any inventories as of the reporting date. So reporting under this clause is not applicable.

iii. **In respect of loans granted:**

The company has not granted loan to any of its related parties as stipulated in section 177 and 188 of the Companies Act, 2013.

iv. **In respect of loans, investments, guarantees and security:**

The company has not given any loans, guarantees and security or not made any investment as stipulated in section 185 and 186 of the Companies Act, 2013.

v. **In respect of acceptance of deposits:**

The company has not accepted any deposits with non-compliance of directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.

vi. **In respect of cost records:**

In our opinion and according to the information and explanations given to us, the Company does not fall within the criteria prescribed by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013.

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vii. In respect of statutory dues:

a. According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sale-tax, service-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.

b. According to the information and explanations given to us, there is no material amount due on account of dispute in respect of income-tax or sales-tax or service-tax or duty of customs or duty of excise or value added tax.

viii. In respect of default of repayment of loans or borrowing:

According to the information and explanations given to us and on the basis of our examination of the records, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank or Government or debenture holders.

ix. In respect of application of money raised:

The were no moneys raised by way of initial public offer or further public offer (including debt instruments) and the term loans are applied for the purposes for which they are raised.

x. In respect of fraud:

To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by or on the Company has been noticed or reported during the year.

xi. In respect of managerial remuneration:

As section 197 of Companies Act, 2013 is applicable to Public Companies only and not to Private Companies. Hence, reporting under this clause is not applicable to the company.

xii. In respect of Nidhi Company:

The company is not a Nidhi Company. Hence, reporting under this clause is not applicable to the company.

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xiii. **In respect of transactions with related parties:**

According to the information and explanations given to us and on the basis of our examination of the records, all the transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

xiv. **In respect of allotment or placement of shares:**

According to the information and explanations given to us and based on our examination of the records, the company has not made private placement of equity shares during the year.

xv. **In respect of non-cash transaction:**

According to the information and explanations given to us and on the basis of our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with them in non-compliance of provision of section 192 of the Companies Act, 2013.

xvi. **In respect of registration with RBI:**

According to the information and explanations given to us and on the basis of our examination of the records, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and so, registration has not been obtained.

For
H. K. Shah & Co.
Chartered Accountants,
FRN: 109583W

H. K. SHAH & CO.
C&AG NO. WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

Prerak Shah
Partner
M.No.: 181302
Place: Ahmedabad
Date : 7th July 2020
UDIN: 20181302AAAAAH5792

MONTECARLO HUBLI HAVERI HIGHWAY PRIVATE LIMITED
CIN NO:- U45309GJ2017PTC096675
Balance sheet as at March 31, 2020

(₹ in Lakh unless otherwise stated)

	Particulars	Note No	As at March 31, 2020	As at March 31, 2019
I	ASSETS			
1	**Non-current assets**			
	(a) Financial Assets			
	i) Service concession receivable	3	19,145.87	9,926.76
	(b) Other Non Current Assets	4	383.23	252.95
			19,529.10	**10,179.71**
2	**Current assets**			
	(a) Financial Assets			
	i) Investments	5	0.30	3,216.30
	ii) Trade receivables	6	3,149.37	2,590.45
	iii) Cash and Cash Equivalents	7	20.96	88.80
	iv) Service concession receivable	8	12,763.91	6,617.84
	(b) Other Current Assets	9	12,112.18	17,166.35
			28,046.72	**29,679.74**
	Total Assets		**47,575.82**	**39,859.45**
II.	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	10	1,269.00	1,269.00
	(b) Other Equity	11	7,883.38	4,489.36
			9,152.38	**5,758.36**
	Liabilities			
1	**Non-current liabilities**			
	(a) Financial liabilities			
	i) Borrowing	12	21,435.48	13,176.67
	(b) Deferred tax liabilities (net)	13	194.22	-
			21,629.70	**13,176.67**
2	**Current liabilities**			
	(a) Financial Liabilities			
	i) Trade Payables	14	8,590.94	9,972.13
	ii) Other current financial liabilities	15	928.29	618.60
	(b) Other current liabilities	16	7,274.51	10,333.69
			16,793.74	**20,924.42**
	Total Equity and Liabilities		**47,575.82**	**39,859.45**

See accompanying notes to the Financial Statements.

As per our report of even date

For H K Shah & Co.,
Chartered Accountants
FRN.: 109583W

Prerak Shah
Partner
M.No.: 181302

H. K. SHAH & CO.
C&AG NO. WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

Place: Ahmedabad
Date: July 7, 2020

For and on behalf of the Board of Directors of
Montecarlo Hubli Haveri Highway Private Limited

Naresh P. Suthar
Whole time Director
DIN: 00414050

Sanjay Kumar
Director
Din: 08408731

Chirag H. Acharya
Chief Financial Officer

Abhishek Pareek
Company Secretary

Place: Ahmedabad
Date: July 7, 2020

MONTECARLO HUBLI HAVERI HIGHWAY PRIVATE LIMITED
CIN NO:- U45309GJ2017PTC096675
Statement of Profit and Loss for the year ended on March 31, 2020

(₹ in Lakh unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
1	**Revenue from operations**	17	26,067.14	30,113.16
2	**Other Income**	18	3,477.53	2,522.63
3	**Total revenue (1+2)**		**29,544.67**	**32,635.79**
4	**Expenses**			
	(i) Construction Expenses	19	25,740.09	29,767.72
	(ii) Finance Cost	20	2,247.89	1,089.92
	(iii) Other expenses	21	327.05	345.44
	Total expenses		**28,315.03**	**31,203.08**
5	**Profit before tax (3-4)**		**1,229.64**	**1,432.71**
6	**Tax expense:**	26		
	(a) Current tax		215.65	307.05
	(b) Deferred tax		194.22	-
7	**Profit for the year (5-6)**		**819.77**	**1,125.66**
8	**Other comprehensive income**		-	-
9	**Total Comprehensive income for the year (7+8)**		**819.77**	**1,125.66**
10	**Earnings per share (of ₹ 10/- each):**	22		
	(a) Basic (In ₹)		6.46	20.47
	(b) Diluted (In ₹)		6.46	20.47

See accompanying notes to the Financial Statements.
As per our report of even date

For H K Shah & Co.,
Chartered Accountants
FRN.: 109583W

Prerak Shah
Partner
M.No.: 181302

H. K. SHAH & CO.
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AHMEDABAD
CHARTERED ACCOUNTANTS

Place: Ahmedabad
Date: July 7, 2020

For and on behalf of the Board of Directors of
Montecarlo Hubli Haveri Highway Private Limited

Naresh P. Suthar
Whole time Director
DIN: 00414050

Sanjay Kumar
Director
Din: 08408731

Chirag H. Acharya
Chief Financial Officer

Abhishek Pareek
Company Secretary

Place: Ahmedabad
Date: July 7, 2020

MONTECARLO HUBLI HAVERI HIGHWAY PRIVATE LIMITED
CIN NO:- U45309GJ2017PTC096675
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakh unless otherwise stated)

	Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Loss before tax & exceptional items	1,229.64		1,432.71	
	Add back:				
	Interest Expense	2,247.89		1,089.92	
	Income from investment in MF	(32.01)		(34.63)	
	Notinal Interest Income	(3,445.52)		(2,488.00)	
	Changes in Working Capital:-				
	Adjustment for (Increase) / Decrease in Operating Assets				
	- Non Current Financial Assets	(9,219.11)		(7,438.76)	
	- Non Current Assets	-		1,700.00	
	- Trade receivables	(558.92)		(2,590.45)	
	- Other Current Financial Assets	(2,700.55)		1,068.30	
	- Other Current Assets	5,054.17		(16,732.06)	
	Adjustment for Increase / (Decrease) in Operating Liabilities				
	- Other non-current liabilities	(1,381.19)		(1,904.00)	
	- Other Current Liabilities	(3,059.18)		12,883.38	
	Cash generated from Operations		**(11,864.78)**		**(13,013.59)**
	Direct taxes paid		(345.93)		(589.81)
	Net cash from Operating Activities (A)		**(12,210.71)**		**(13,603.40)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Investment in Mutual funds (net)		3,248.01		(3,181.67)
	Net Cash used in Investing Activities (B)		**3,248.01**		**(3,181.67)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Issue of Equity Share Capital		-		1,268.00
	Proceeds from Loans		8,258.81		13,176.67
	Proceeds from Quasi Equity from Holding Company		2,574.25		2,899.14
	Interest paid		(1,938.20)		(471.33)
	Net cash used Financing Activities (C)		**8,894.86**		**16,872.48**
	Net increase in cash and cash equivalents (A+B+C)		**(67.84)**		**87.42**
	Cash and cash equivalents at the beginning of the year		**88.80**		**1.38**
	Cash and cash equivalents at the end of the year		**20.96**		**88.80**
	Components of Cash & Cash Equivalents				
	Cash on hand		-		-
	Balances with banks		20.96		88.80
	Total Cash and Bank Equivalents (As per Note 7)		**20.96**		**88.80**

Note : *The above Cash Flow Statement has been prepared under the indirect method set out in IND AS - 07 "Statement of Cash Flow" issued by the Central Government under Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (Companies Indian Accounting Standard Rules, 2015)*

See accompanying notes to the Financial Statements.
The Notes referred to above form an Integral part of this statement
As per our attached report of even date

For H K Shah & Co.,
Chartered Accountants
FRN.: 109583W

Prerak Shah
Partner
M.No.: 181302

H. K. SHAH & CO.
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AHMEDABAD
CHARTERED ACCOUNTANTS

Place: Ahmedabad
Date: July 7, 2020

For and on behalf of the Board of Directors of
Montecarlo Hubli Haveri Highway Private Limited

Naresh P. Suthar
Whole time Director
DIN: 00414050

Sanjay Kumar
Director
Din: 08408731

Chirag H. Acharya
Chief Financial Officer

Abhishek Pareek
Company Secretary

Place: Ahmedabad
Date: July 7, 2020

MONTECARLO HUBLI HAVERI HIGHWAY PRIVATE LIMITED
Notes to the Financial Statements

Statement of changes in equity

A. Equity Share Capital

(₹ in Lakh unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	1,269.00	1.00
Changes in equity share capital during the year	-	1,268.00
Balance at the end of the year	**1,269.00**	**1,269.00**

(b) Instruments entirely equity in nature

(₹ in Lakh unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Quasi Equity from Holding Company*		
Balance at the beginning of the year	3,243.13	343.99
Received during the Year	2,574.25	2,899.14
Balance at the end of the year	**5,817.38**	**3,243.13**

*Interest free loan received from Holding Company is accounted as equity contributionas it is perpetual in nature and settlement of the same is neither planned nor likely in the foreseeable future.In the event of liquidation of the company, settlement of the same will be based on the residual interest in the assets of an entity after deducting all of its liabilities.

B. Other Equity

As at March 31, 2020 (₹ in Lakh unless otherwise stated)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	Securities premium	General reserve	Retained earnings		
Balance at the beginning of the year	-	-	1,246.23	-	1,246.23
Profit for the year	-	-	819.77	-	819.77
Balance at the end of March 31, 2020	-	-	**2,066.00**	-	**2,066.00**

As at March 31, 2019 (₹ in Lakh unless otherwise stated)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	Securities premium	General reserve	Retained earnings		
Balance at the beginning of the year	-	-	120.57	-	120.57
Profit for the year	-	-	1,125.66	-	1,125.66
Balance at the end of March 31, 2019	-	-	**1,246.23**	-	**1,246.23**

For H K Shah & Co.,
Chartered Accountants
FRN.: 109583W

Prerak Shah
Partner
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Date: July 7, 2020

For and on behalf of the Board of Directors of
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Naresh P. Suthar
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DIN: 00414050

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Chirag H. Acharya
Chief Financial Officer

Abhishek Pareek
Company Secretary

Place: Ahmedabad
Date: July 7, 2020

MONTECARLO HUBLI HAVERI HIGHWAY PRIVATE LIMITED
Company Overview

1 BACKGROUND AND OPERATIONS

Montecarlo Hubli Haveri Highway Private Limited ("the Company") having its registered office at Montecarlo House, Sindhu Bhavan Road, Bodakdev, Ahmedabad-380058, Gujarat was incorporated on April 05, 2017 vide certificate of Incorporation No. U45309GJ2017PTC096675 issued by the Registrar of Companies Ahmedabad, Gujarat.
The company is engaged in business of Infrastructure Development.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of preparation of interim report

(i) Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standard ('Ind AS') notified under section 133 of the Companies Act, 2013 (Act') and the companies (Indian Accounting Standards) Rules issued from time to time and other relevant provisions of the Companies Act, 2013 (Collectively called as Ind AS).

(ii) Basis of preparation and measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

• Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

• Level 3 inputs are unobservable inputs for the assets or liability.

2.2 Functional and Presentation Currency

These Standalone Financial Statements are presented in Indian Rupees, which is the Company's Functional Currency.

2.3 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.4 Cash and cash equivalents (for purpose of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

Cash flows are reported using indirect method, whereby Profit before tax reported under statement of profit/ (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

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2.6 **Property, Plant and Equipment**

All the items of property, plant and equipment are stated at historical cost net off cenvat credit less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful life is taken in accordance with Schedule II to the Companies Act, 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.7 **Impairment of tangible and intangible assets other than goodwill**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.8 **Trade Receivables**

Trade Receivables are recognised initially at fair value and sebsequently measured at amortised cost, less provision for impairment.

2.9 **Service Concession arrangements**

The Company constructs or upgrades Infrastructure (construction or upgrade services) used to provide a public service and

2.10 **Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.
All revenues are accounted on accrual basis except to extent stated otherwise.

a) Construction contract revenue
Revenue from construction contracts is recognized by applying percentage of completion method after providing for foreseeable losses. if any. Percentage of completion method is determined as a proportion of the cost incurred up to the reporting date to the total estimated cost to complete. Foreseeable losses, if any on the contracts is recognized an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of cost and related incidental income not included in contact revenue is taken into consideration. Contract is reflected at cost that are cost that are expected to be recoverable till such time the outcome of the contact cannot be ascertained reliably and at releasable value thereafter.
Contract revenue corresponds to the fair value of consideration received/ receivable from the customer to the extent that it is probable that the result in revenue, and they are capable of being reliably measured.

b) Trade Receivables
Trade Receivables are recognized initially at fair value and subsequently measured at amortized cost, less provision for impairment.

2.11 **Other Incomes**

Interest Income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.12 **Foreign Currency Transactions**

The functional currency for the Company is determined as the currency of the primary economic environment in which it operates. For the Company, the functional currency is the local currency of the country in which it operates, which is INR.

a) In preparing the financial statements the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

b) The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are taken into Statement of Profit and Loss.

2.13 **Employees Benefits**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.14 **Accounting for Taxes**

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

<u>Current and deferred tax for the year</u>

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.15 Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.16 Segment Reporting

<u>Identification of segments:</u>
Segments are identified in line with Ind AS-108 "Operating Segment", taking into consideration the internal organisation and management structure as well as the differential risk and returns of the segment.

<u>Segment Policies:</u>
The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

2.17 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.18 Fair value measurement

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or a liability acting in their best economic interest. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

2.19 Financial Instrument

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 ate 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 amortized 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

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

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a) Debt Instruments measured at amortized 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 amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in the statement of profit and loss when the asset is derecognized 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 recognized in statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in the CCI is reclassified from equity to statement of profit and loss. Home from these financial assets is included in interest income using the effective interest rate method. Currently the Company doesn't have any financial assets classified under this category.

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 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. Currently the Company doesn't have any financial assets classified under these categories.

Impairment of financial assets

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

I) Financial assets measured at amortized 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 the twelve months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within twelve months after the reporting dale) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

b) Financial liabilities

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.

Subsequent measurement

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

a) Financial liabilities measured at amortized cost

b) Financial liabilities measured at FVTPL (fair value through profit or lass)

a) Financial liabilities measured at amortized 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 derecognized 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 amortization is included in finance costs in the statement of profit and loss.

b) 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 financial position at fair value with changes in fair value recognized in finance income or finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability ate substantially modified, such an exchange or modification is treated as the DE recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

2.20 Operating Cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

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2.21 Current and non Current classfication :

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

1 Expected to be realised or intended to be sold or consumed in normal operating cycle

2 Held primarily for the purpose of trading

3 Expected to be realised within twelve months after the reporting period, or

4 Cash or cash equivalents 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.

ii A liability is current when:

1. Expected to be settled in normal operating cycle

2. Held primarily for the purpose of trading

3. Due to be settled within twelve months after the reporting period, or

4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are treated as non - current.

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

2.22 CRITICAL AND SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

2.22A **Critical estimates and judgements**

The following are the critical judgements, apart from those involving estimations that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Income taxes:

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

2.22B **Significant accounting judgements, estimates and assumptions**

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based on its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow model. The cash flows are derived from the budget for the next five years and do not include activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the Cash Generating Unit being tested. The recoverable amount is sensitive to the discount rate used for the Discounted Cash Flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Taxes

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 judgement 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 together with future tax planning strategies.

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

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Notes to the Financial Statements

Note 3 Non Current Financial Assets - Service Concession Receivable

		As at March 31, 2020	As at March 31, 2019
(i)	Service Concession Receivable	19,145.87	9,926.76
	Total	19,145.87	9,926.76

Note 4 Other Non Current Assets

	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	Advance tax (net of provision of Income tax)	383.23	252.95
	Total	383.23	252.95

Note 5 Investments

	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Investment		
	(i) Investment in Senior Geologist DMG FD	0.30	0.30
	(ii) Investment in MF	-	3,216.00
		0.30	3,216.30

Note 6 Trade receivables

	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	Unsecured, considered good	3,149.37	2,590.45
	Total	3,149.37	2,590.45

Note 7 Cash and Cash Equivalents

	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Cash and cash equivalents		
	(i) Cash on hand	-	-
	(ii) Balances with Banks	20.96	88.80
	Total	20.96	88.80

Note 8 Current Financial Asset - Service Concession Receivable

		As at March 31, 2020	As at March 31, 2019
(i)	Service Concession Receivable	12,763.91	6,617.84
	Total	12,763.91	6,617.84

Note 9 Other Current Assets

	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Unsecured, Considered Good		
	(i) Balance with Government Authorities		
	- Indirect tax authorities	5,145.94	3,295.77
	(ii) Advance to supplier	5,956.43	11,516.70
(b)	Pre-Paid Expenses		
	(i) Legal Charges	-	196.35
(c)	Unbilled revenue	1,009.81	2,157.53
	Total	12,112.18	17,166.35

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(₹ in Lakh unless otherwise stated)

Note 10 Equity Share Capital

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised		
3,50,00,000 (Previous year : 3,50,00,000) Equity Shares of ₹ 10 each fully paid-up	3,500.00	3,500.00
Total	**3,500.00**	**3,500.00**
Issued, Subscribed and fully paid up		
1,26,90,000 (Previous year : 1,26,90,000) Equity Shares of ₹ 10 each fully paid-up	1,269.00	1,269.00
Total	**1,269.00**	**1,269.00**

a. The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2020 is set out below:

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	₹ in lakh	No. of Shares	₹ in lacs
Numbers of shares at the beginning	1,26,90,000	1,269.00	10,000.00	1.00
Add: Shares issued during the year	-	-	1,26,80,000	1,268.00
Numbers of shares at the End	**1,26,90,000**	**1,269.00**	**1,26,90,000**	**1,269.00**

b. Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	₹ in lakh	No. of Shares	₹ in lacs
Montecarlo Projects Limited (Formerly known as Montecarlo Projects India Limited)	1,26,90,000	1,269.00	1,26,90,000	1,269.00

c. Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Montecarlo Projects Limited (Formerly known as Montecarlo Projects India Limited)	1,26,90,000	100%	1,26,90,000	100%

d. The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. Equity Shareholders are eligible to dividend proposed by the Board of Directors as approved by Shareholders in the ensuing Annual General Meeting.

e. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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Notes to the Financial Statements

Note 11 - Other equity

As at March 31, 2020 (₹ in Lakh unless otherwise stated)

Particulars	Reserves & Surplus		Other Comprehensive Income	Equity Component of Unsecured Loan	Total
	Securities premium	Retained earnings			
Balance at the beginning of the year	-	1,246.23	-	3,243.13	4,489.36
Quasi Equity from Holding Company*	-	-	-	2,574.25	2,574.25
Profit for the year	-	819.77	-	-	819.77
Balance at the end of March 31, 2020	-	**2,066.00**	-	**5,817.38**	**7,883.38**

As at March 31, 2019 (₹ in Lakh unless otherwise stated)

Particulars	Reserves & Surplus		Other Comprehensive Income	Equity Component of Unsecured Loan	Total
	Securities premium	Retained earnings			
Balance at the beginning of the year	-	120.57	-	343.99	464.56
Quasi Equity from Holding Company*	-	-	-	2,899.14	2,899.14
Profit for the year	-	1,125.66	-	-	1,125.66
Balance at the end of March 31, 2019	-	**1,246.23**	-	**3,243.13**	**4,489.36**

Interest free loan received from Holding Company is accounted as equity contributionas it is perpetual in nature and settlement of the same is neither planned nor likely in the foreseeable future.In the event of liquidation of the company, settlement of the same will be based on the residual interest in the assets of an entity after deducting all of its liabilities.

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Note 12 Non-Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
(a) Term loans from banks (Refer note 12.1)	17,074.86	13,176.67
(b) Term loans from financial institutions (Refer note 12.1)	4,360.62	-
Total	**21,435.48**	**13,176.67**

Note 12.1 : Details of Term Loans from Banks

Project Financing Loans: (Currency - INR)

Lender	No. of Loans	Amount outstanding as on March 31, 2020	Balance No. of instalments as at March 31, 2020
Andhra Bank	1	7,605.73	26 - Half Yearly
Union Bank of India	1	5,070.49	26 - Half Yearly
Standard Chartered Bank	1	4,398.64	26 - Half Yearly
PTC India Financial Services Ltd	1	4,360.62	26 - Half Yearly
Total		**21,435.48**	

Project Financing Loans are secured by exclusive charge on movable assets and current assets of the Company. Further, 51% shares of Montecarlo Project Limited in the Company are pledged as security.

Note 13 Deferred tax liabilities (net)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax Liabilities		
Tax effect of :		
(a) Measurement of financial assets at amortised cost	1,727.84	
	1,727.84	-
Deferred tax assets		
Tax effect of :		
(a) MAT credit entitlement	522.70	-
(b) Brought forward lossses	1,010.92	
	1,533.62	-
Total	**194.22**	**-**

Note 14 Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Total outstanding dues of micro enterprises and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	8,590.94	9,972.13
Total	**8,590.94**	**9,972.13**

Note 15 Other Current financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Interest Accrued but not due	928.29	618.60
Total	**928.29**	**618.60**

Note 16 Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Statutory Remittances	10.90	203.71
(b) Security Deposit / Retention money	2,804.92	1,505.85
(c) Advances from Customers	4,458.69	8,624.13
Total	**7,274.51**	**10,333.69**

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(₹ in Lakh unless otherwise stated)

Note 17 Revenue from operations Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Contract Revenue *	26,067.14	30,113.16
Total	26,067.14	30,113.16

* Contract Revenue considered net of provisional GST rebate, subject to NHAI approval.

Note 18 Other Income Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income on financial assets at fair value	3,445.52	2,488.00
Gain on Investement in Mutual fund	32.01	34.63
Total	3,477.53	2,522.63

Note 19 Construction Expenses Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Sub-contracting expense	25,463.97	29,622.04
b) Site Expense	276.12	145.68
Total	25,740.09	29,767.72

Note 20 Finance Cost

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Interest Expense	2,247.55	1,013.24
b) Other Borrowing Costs (includes bank charges, etc.)	0.34	76.69
	2,247.89	1,089.92

Note 21 Other expenses Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Auditor's remuneration	1.50	1.50
b) Legal & Professional Charges	291.74	316.39
c) ROC Filing & Statutory Charges	0.33	5.44
d) Insurance Expense	26.18	18.88
e) Other	7.30	3.24
Total	327.05	345.44

Note 22 Earnings Per Share (Basic & Diluted) Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/(Loss) for the year attributable to Owners of the Company	819.77	1,125.66
Amount available for calculation of Basic and Diluted EPS - (a)	819.77	1,125.66
Equity Shares Outstanding - (b)	1,26,90,000	1,26,90,000
Weighted Agerage No. of Equity Shares for calculating basic and Diluted EPS - (c)	1,26,90,000	54,98,877
Earnings Per Share (In ₹)		
- Basic earning per share (a/c)	6.46	20.47
- Diluted earning per share (a/c)	6.46	20.47

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23 Related Party Disclosure:

(A) List of Related Parties

(i) Ultimate Holding Company

Montecarlo Limited

(ii) Holding Company

Montecarlo Projects Limited
(Formerly known as Montecarlo Projects India Limited)

(iii) Fellow Subsidiary Company

Montecarlo Barjora Mining Private Limited
Montecarlo Singhara Binjhabahal Highway Pvt Ltd
Montecarlo Sinnar Shirdi Highway Pvt Ltd
Montecarlo Amravati Chikhli Highway Pvt Ltd

(iv) Key Management Personnel

1. Mr. Brijesh Kanubhai Patel (Director) (upto 16.01.2019)
2. Mr. Mrunal Kanubhai Patel (Director) (upto 16.01.2019)
3. Kanubhai Mafatlal Patel (Director) (upto 16.01.2019)
4. Mr. Nareshkumar P Suthar (Whole Time Director) (w.e.f 16.01.2019)
5. Kartik J Rawal (Director) (from 16.10.2019 to 24.06.2020)
6. Mr. Sanjay Kumar (Director) (w.e.f 11.10.2019)
7. Vipul Patel (Director) (From 24.06.2020)

(v) Enterprises over which Key Managerial Personnel are able to exercise significant influence:

Montecarlo Realty LLP (Formerly known as Montecarlo Realty Ltd.)
Montecarlo Assets Holdings LLP (Formerly known as Montecarlo Construction Private Limited)
Montecarlo Foundation

(B) Transaction with related parties and outstanding at the end of the year:

(₹ in Lakh unless otherwise stated)

Description of the nature of the transactions	2019-2020		2018-19	
	Montecarlo Projects India Limited	Montecarlo Limited	Montecarlo Projects India Limited	Montecarlo Limited
Issue of Equity Share Capital	-	-	1,268.00	-
Quacy Equity	2,574.25	-	2,899.14	-
Mobilization Advance given to Vendor	-	358.62	-	12,000.00
Mobilization Advance recovered	-	5,918.89	-	2,183.30
Reimbursement of expense	-	57.13	-	163.83
Subcon Expense	-	25,463.97	-	29,622.04
Balances as at 31.03.2019				
Amount payable	-	8,563.10	-	9,965.84
Deposit from vendor	-	2,804.92	-	1,505.85
Mobilization Advance given to Vendor	-	5,956.43	-	11,516.70

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24 Financial Instruments

(a) Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument.

Financial Instruments - Accounting Classification and Fair Value Measurements

The fair value of the financial assets and liabilities are included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale

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

1. Fair value of cash and short terms deposits, trade and other short receivables, trade payables , other current liabilities , short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short term maturities of these instruments

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameter 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 observables, either directly or indirectly

Level 3 Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at March 31, 2020

(₹ in Lakhs)

Financial assets*	FVTPL	FVTOCI	Amotised Cost	Total carrying value
Investment	-	-	0.30	0.30
Trade receivable	-	-	3,149.37	3,149.37
Cash and cash equivalents	-	-	20.96	20.96
Service concession Receivable	31,909.78	-	-	31,909.78
	31,909.78	-	3,170.63	35,080.41

Financial liabilities*	FVTPL	FVTOCI	Amotised Cost	Total carrying value
Non current borrowings	-	-	21,435.48	21,435.48
Trade payables	-	-	8,590.94	8,590.94
Other current financial liabilities	-	-	928.29	928.29
	-	-	**30,954.71**	**30,954.71**

As at March 31, 2019

(₹ in Lakhs)

Financial assets*	FVTPL	FVTOCI	Amotised Cost	Total carrying value
Investment	-	-	3,216.30	3,216.30
Trade receivable	-	-	2,590.45	2,590.45
Cash and cash equivalents	-	-	88.80	88.80
Service concession Receivable	16,544.60	-	-	16,544.60
	16,544.60	-	5,895.55	22,440.15

Financial liabilities*	FVTPL	FVTOCI	Amotised Cost	Total carrying value
Non current borrowings	-	-	13,176.67	13,176.67
Trade payables	-	-	9,972.13	9,972.13
Other current financial liabilities	-	-	618.60	618.60
	-	-	**23,767.40**	**23,767.40**

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(b) FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES:

The Company's principal financial liabilities comprise of trade and other payables. The Company's principal financial assets include Investment, loans and advances, and cash and bank balances that derive directly from its operations. However as there are no business operations being carried out, Company is not exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of all these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial assets will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The company monitors the risks arising out of trade payables on a regular basis with the help of the group treasury team. Further the company may enter into derivatives if the exposure arising out of these risks exceeds significantly.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. However the Company's exposure to the risk of changes in market interest rates is Nil as there are no Long-term \ Short Term debt obligations .

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. However as of now the Company's exposure to the risk of changes in foreign currency rates is Nil as there are no transactions entered by the company in foreign currency .

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. However as of now there is no operations in the company and all the loans \ advances has been given to wholly owned subsidiary only, hence Company's exposure to credit risk is Nil .

Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. However as of now there is no operations in the company and hence Company's exposure towards the same is Nil .

Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the Management on regular basis.

Liquidity Risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of interest free loan from Holding Company and funding from financial institution.

As at March 31, 2020					
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Non - Current					
Borrowings	-	2,743.72	3,129.56	15,562.20	21,435.48
Current					
Trade Payable	8,590.94	-	-	-	8,590.94
Other Fianancial Liability	928.29	-	-	-	928.29
Total	9,519.23	2,743.72	3,129.56	15,562.20	30,954.71

As at March 31, 2019					
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Non - Current					
Borrowings	-	837.04	676.39	11,663.24	13,176.67
Current					
Trade Payable	9,972.13	-	-	-	9,972.13
Other Fianancial Liability	618.60	-	-	-	618.60
Total	10,590.73	837.04	676.39	11,663.24	23,767.40

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25 Capital Management (₹ in Lakh unless otherwise stated)

The Company considers the following components of its Balance Sheet to be managed capital:

1. Total equity – Share Capital, Retained Profit/ (Loss) and Other Equity.
2. Working capital.

The Company manages its capital so as to safeguard its ability to continue as a going concern. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor, and market confidence and to sustain future development and growth of its business. The Company's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Company is not subject to financial covenants in any of its significant financing agreements.

The management monitors the requirement of capital to meet the operational cost of the company from time to time and infuse the capital through sub-ordinate debt, which is classified as other equity.

Summary of quantitative data of the capital of the company	As at March 31, 2020	As at March 31, 2019
Equity - Issued and paid up capital	1,269.00	1,269.00
Other Equity -Sub-ordinate debts	5,817.38	3,243.13
TOTAL	**7,086.38**	**4,512.13**

26 Tax Expense

Income tax (income) / expense recognized in the Statement of Profit and Loss

Particulars	For year ended 31st March, 2020	For year ended 31st March, 2019
Current tax	**215.65**	**307.05**
Current income tax charge	214.84	307.05
Effect of Earlier Year Taxes	0.81	
Deferred tax	**194.22**	-
Relating to origination and reversal of temporary differences	1,727.84	-
Effect on MAT credit recognised	(522.70)	
Effect of previously unrecognised tax losses and tax offsets used during the current year to reduce deferred tax expense	(1,010.92)	
Total	**409.87**	**307.05**

Reconciliation of Effective Tax Rate

Particulars	For year ended 31st March, 2020	For year ended 31st March, 2019
Profit \ (loss) Before Tax as per Profit & Loss	**1,229.64**	**1,432.71**
Domestic Tax Rate	29.12%	29.12%
Tax thereon at Normal Rate	358.07	417.20
Effect of income that is taxed at lower rate	-	(110.16)
Effect of MAT Credit of earlier years	(307.86)	
Effect of deferred tax of earlier years	358.85	-
Short income tax provision for earlier years	0.81	
Total	**409.87**	**307.05**

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Notes to the Financial Statements

27 Other Notes

27.1 There are no reportable segments in accordance with Indian Accounting Standard-108 'Operating Segment' prescribed under the Companies (Indian Accounting Standards) Rules, 2015.

27.2 The Outbreak of Coronavirus (COVID-19) pandemic has temporarily impacted the Company's operations, due to shutdown of the project site and offices following nation-wide lockdown. The company resumed its operation in phased manner in line with directives from authorities. The company has made initial assessment of impact of this pandemic on its business operations, capital and financial resources, liquidity, Internal financial reporting and control and overall financial position. Based on management's review of current indicators, economic conditions and various initiatives announced by GOI, there is no material impact on its financial statements as at March 31, 2020.

The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the future impact of this pandemic may be different from those estimated as on the date of approval of these financial statements. The company will continue to monitor any material change for future economic benefits.

27.3 Balances of Sundry Creditors, Sundry debtors, Loans & advances, etc. are subject to confirmation and reconciliation, if any.

27.4 In the opinion of Board of Directors; Current Assets, Loans & Advances (Including Capital Advances) have a value on realization in the ordinary course of business atleast equal to the amount at which they are stated. Adequate provisions have been made in the accounts for all the known liabilities.

For H K Shah & Co.,
Chartered Accountants
FRN.: 109583W

Prerak Shah
Partner
M.No.: 181302

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Place: Ahmedabad
Date: July 7, 2020

For and on behalf of the Board of Directors of
Montecarlo Hubli Haveri Highway Private Limited

Naresh P. Suthar
Whole time Director
DIN: 00414050

Sanjay Kumar
Director
Din: 08408731

Chirag H. Acharya
Chief Financial Officer

Abhishek Pareek
Company Secretary

Place: Ahmedabad
Date: July 7, 2020